

PROTECTING
THE GREATER
GOOD



CERTIFICATION

JUNE 25, 2021

INSURED:
PRAIRIE RIVER VILLAGE SUPPORTIVE LIVING LLC
DBA EAGLES VIEW SUPPORTIVE LIVING AND MEMORY CARE
200 W INTERNATIONAL AVE
RANTOUL, IL 61866-3612

RE: POLICY NUMBER 0331463-02-104136

THIS IS TO CERTIFY THAT THE POLICY OF INSURANCE ATTACHED HERETO IS A TRUE COPY OF
THE POLICY OF INSURANCE AS OF 1-11-2021.

A handwritten signature in black ink, appearing to read "R. Buckley".

ROBERT M. BUCKLEY, CPCU, AAI, ARM, CIC
SENIOR VICE PRESIDENT - COMMERCIAL LINES & CSO
CHURCH MUTUAL INSURANCE COMPANY, S.I. (a stock insurer)



ENDORSEMENT DECLARATIONS EFFECTIVE: 04/13/20. SUPERCEDES ANY PREVIOUS DECLARATIONS BEARING THE SAME POLICY NUMBER FOR THIS POLICY PERIOD.

**PROPERTY COVERAGE PART
DECLARATIONS PAGE**

POLICY NO.: 0331463-02-104136

ITEM 1. DESCRIPTION OF PREMISES AND COVERAGES:

PREMISES NO: 001 BUILDING NO: 001
CONSTRUCTION: MASONRY NON-COMBUSTIBLE
OCCUPANCY: ASSISTED LIVING
LOCATION: 200 W INTERNATIONAL DR
TOWNSHIP NAME: RANTOUL FPSA COUNTY: CHAMPAIGN
CITY/STATE: RANTOUL, IL

COVERAGE: BUILDING
LIMIT OF INSURANCE: \$24,000,000
COINSURANCE PERCENT: 100%
COVERED CAUSE OF LOSS: SPECIAL
VALUATION: REPLACEMENT COST
OPTIONAL COVERAGE: AUTOMATIC INCREASE IN INSURANCE
AGREED VALUE

COVERAGE: PERSONAL PROPERTY
LIMIT OF INSURANCE: \$500,000
COINSURANCE PERCENT: 100%
COVERED CAUSE OF LOSS: SPECIAL
VALUATION: REPLACEMENT COST
OPTIONAL COVERAGE: AUTOMATIC INCREASE IN INSURANCE
AGREED VALUE

COVERAGE: BUSINESS INCOME WITH EXTRA EXPENSE (72 HR. WAIT)
LIMIT OF INSURANCE: \$1,000,000
COINSURANCE PERCENT: 100%
COVERED CAUSE OF LOSS: SPECIAL
OPTIONAL COVERAGE: AGREED VALUE

ADDITIONAL COVERAGES OR ENDORSEMENTS

COVERAGE EXTENSION: NEWLY CONSTRUCTED BUILDING
LIMIT OF INSURANCE: \$2,000,000 ANY ONE OCCURRENCE

COVERAGE EXTENSION: NEWLY ACQUIRED BUILDING AND PERSONAL PROPERTY
LIMIT OF INSURANCE: \$2,000,000 ANY ONE OCCURRENCE



ADDITIONAL COVERAGE:	ARSON REWARD
LIMIT OF INSURANCE:	\$20,000 ANY ONE OCCURRENCE
ADDITIONAL COVERAGE:	FIRE DEPARTMENT SERVICE CHARGE
LIMIT OF INSURANCE:	\$50,000 ANY ONE OCCURRENCE
COVERAGE EXTENSION:	OUTDOOR TREES, LAWNS, PLANTS, OR SHRUBS
LIMIT OF INSURANCE:	\$2,500 EACH ITEM \$25,000 ANY ONE OCCURRENCE
ADDITIONAL COVERAGE:	DEBRIS REMOVAL
LIMIT OF INSURANCE:	\$25,000 ANY ONE OCCURRENCE
ADDITIONAL COVERAGE:	REFRIGERATED FOOD PRODUCTS
LIMIT OF INSURANCE:	\$10,000 ANY ONE OCCURRENCE
COVERAGE EXTENSION:	STRUCTURES ON PREMISES
LIMIT OF INSURANCE:	\$25,000 ANY ONE OCCURRENCE
ADDITIONAL COVERAGE:	EXTRA EXPENSE
LIMIT OF INSURANCE:	\$25,000 ANY ONE OCCURRENCE
COVERAGE EXTENSION:	BUSINESS PERSONAL PROPERTY OF YOUR ADMINISTRATORS OR FACILITY MANAGERS
LIMIT OF INSURANCE:	\$25,000 ANY ONE OCCURRENCE

ITEM 2. DEDUCTIBLE - OCCURRENCE:

\$10,000

ITEM 3. ENDORSEMENTS:

ADDITIONAL PROPERTY NOT COVERED ENDORSEMENT

DESCRIPTION: THIS POLICY EXCLUDES ANY AND ALL PROPERTIES NOT
SPECIFICALLY SCHEDULED ON THE POLICY

ITEM 4. MORTGAGEHOLDERS, LOSS PAYEES, AND CONTRACT SELLERS:

MORTGAGEHOLDER(S):

FIFTH THIRD BANK
611 N RIVER RD
ROSEMONT, IL 60018
PREMISES/BUILDINGS INCLUDED: 001 001

POLICY NO.: 0331463-02-104136

LOSS PAYEE(S):

SENB BANK
PO BOX 1070
MOLINE, IL 61266-1070
PREMISES/BUILDINGS INCLUDED: 001 001

FIFTH THIRD BANK
6111 N RIVER RD
ROSEMONT, IL 60018
PREMISES/BUILDINGS INCLUDED: 001 001



IMPORTANT - ATTACH TO YOUR POLICY

**CHURCH MUTUAL INSURANCE COMPANY
CHANGE ENDORSEMENT**

THIS ENDORSEMENT FORMS A PART OF THE POLICY NUMBERED BELOW:

ENDORSEMENT EFFECTIVE DATE: 04/13/20

POLICY NO.: 0331463-02-104136

POLICY EFFECTIVE DATE: 04/01/20

PRAIRIE VILLAGE SUPPORTIVE LIVING LLC DBA EAGLES
VIEW SUPPORTIVE LIVING AND MEMORY CARE
200 W INTERNATIONAL AVE
RANTOUL IL 61866-3612

SUMMARY CHANGES TO YOUR POLICY:

SEE REVISED ATTACHED DECLARATION PAGE(S) FOR CHANGES.

FORM A 138(01-98) LOSS PAYABLE PROVISIONS APPLIES.

PREMIUM:

NO ADDITIONAL PREMIUM DUE

AGENT: 35-376

ASSURANCE AGENCY LTD
20 NORTH MARTINGALE ROAD, SUITE 100
SCHAUMBURG IL 60173
(888) 429-0999



Mutual Company
Nonassessable

CHURCH MUTUAL INSURANCE COMPANY

3000 Schuster Lane, P.O. Box 357, Merrill, WI 54452

COMMON POLICY DECLARATIONS PAGE

POLICY NO.: 0331463-02-104136

ITEM 1. NAMED INSURED AND ADDRESS:

PRAIRIE VILLAGE SUPPORTIVE LIVING LLC DBA EAGLES
VIEW SUPPORTIVE LIVING AND MEMORY CARE
200 W INTERNATIONAL AVE
RANTOUL IL 61866-3612

ITEM 2. POLICY PERIOD: FROM 04/01/20 TO 04/01/21
12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE

0331463-02-213508
(RENEWAL OF)

ITEM 3. THE NAMED INSURED IS: ASSISTED LIVING FACILITY

ITEM 4. AGENT: 35-376
ASSURANCE AGENCY LTD
20 NORTH MARTINGALE ROAD, SUITE 100
SCHAUMBURG IL 60173
(888) 429-0999

ITEM 5. THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS:

FORMS AND ENDORSEMENTS WHICH APPLY TO THIS ENTIRE POLICY:

A 050(01-98) MUTUAL AND COMMON POLICY CONDITIONS
A 9009(01-15) CONDITIONAL EXCLUSION OF TERRORISM
A 940.2(10-13) ILLINOIS CHANGES - DEFENSE COSTS
UN 720(01-15) NOTICE - DISCLOSURE OF TERRORISM PREMIUM

PROPERTY COVERAGE PART AND ITS FORMS AND ENDORSEMENTS:

A 100(01-01) PROPERTY CONDITIONS
A 1001(01-08) IDENTITY RECOVERY COVERAGE FORM
A 1009(11-08) WATER EXCLUSION ENDORSEMENT
A 1017(06-16) EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
A 103.1 SL(04-17) BLDG&PROP COV-SENIOR LIVING FACILITY/APT/RLT'D PROP
A 106(01-01) BUSINESS INCOME COVERAGE (INCLUDING EXTRA EXPENSE)
A 117.1(05-89) COVERAGE EXTENSIONS AND ADDITIONAL COVERAGES
A 127(04-06) CAUSES OF LOSS - SPECIAL FORM
A 138(01-98) LOSS PAYABLE PROVISIONS
A 141(06-87) ADDITIONAL PROPERTY NOT COVERED
A 154(10-99) SYSTEMS/EQUIPMENT BREAKDOWN COVERAGE FORM
A 199(05-05) ILLINOIS CHANGES
A 945.2(01-15) CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

GENERAL LIABILITY COVERAGE PART AND ITS FORMS AND ENDORSEMENTS:

A 052(06-87) NUCLEAR ENERGY LIABILITY EXCLUSION - BROAD FORM
A 200(01-04) GENERAL LIABILITY COVERAGE PART - OCCURRENCE BASIS
A 200.1(12-06) AMENDATORY ENDORSEMENT - PERSONAL INJURY



GENERAL LIABILITY COVERAGE PART AND ITS FORMS AND ENDORSEMENTS:

A 200.2(01-17) BODILY INJURY DEFINITION
 A 200.4(07-17) EXCLUSION - ASBESTOS
 A 2012(12-07) CORPORATE ENTITY ENDORSEMENT
 A 2013(12-07) MEDICAL EXPENSE AMENDMENT
 A 204.1 SL(01-14) GEN'L LIAB ADD'L PROV & EXCL - PREM & OPS - SR LIVING
 A 2049(10-16) EXCLUSION - CYBER LIABILITY
 A 220(01-98) DESIGNATED PERSON OR ORGANIZATION
 A 235(01-04) LIMITATION OF COVERAGE-DESIGNATED PREMISES OR PROJECT
 A 238(01-04) EXCL - PROF HEALTH, SOCIAL, OR COSMETIC SERVICES
 A 242(01-04) EXCLUDED OPERATIONS
 A 251(09-94) EXCLUSION - LEAD LIABILITY
 A 253(01-17) LEGAL DEFENSE COVERAGE FORM
 A 254(05-08) AMEND OF INSURING AGREEMENT - KNOWN INJURY OR DAMAGE
 A 255(01-04) CATASTROPHIC VIOLENCE RESPONSE COVERAGE
 A 262(09-17) SEXUAL MISCONDUCT OR SEXUAL MOLESTATION LIAB AND MED EXP COVERAGE
 A 267.1(08-12) BLANKET ADDITIONAL INSURED ENDORSEMENT
 A 268(05-03) WAR LIABILITY EXCLUSION
 A 299(03-05) ILLINOIS CHANGES - CANCELLATION AND NONRENEWAL
 A 9006.1(01-15) EXCL OF PUN DAMAGES RELATED TO A CERT ACT OF TERROR
 A 940(03-94) ILLINOIS CHANGES
 A 940.1(05-11) ILLINOIS CHANGES - CIVIL UNION
 A 945.4(01-15) CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

CRIME COVERAGE PART AND ITS FORMS AND ENDORSEMENTS:

A 300(06-87) CRIME CONDITIONS FORM
 A 305(06-87) PREMISES THEFT AND ROBBERY OUTSIDE THE PREMISES FORM
 A 306(06-87) THEFT, DISAPPEARANCE AND DESTRUCTION COVERAGE FORM
 A 307(06-87) FORGERY OR ALTERATION COVERAGE FORM
 A 309(06-87) BLANKET BOND COVERAGE FORM
 A 399(03-05) ILLINOIS CHANGES

PROFESSIONAL LIABILITY COVERAGE PART AND ITS FORMS AND ENDORSEMENTS:

A 503.1 SL(03-06) SENIOR LIVING FACILITY PROFESSIONAL LIAB COV FORM
 A 504(01-98) EMPLOYEE BENEFITS LIABILITY COVERAGE-CLAIMS MADE BASIS
 A 519(09-07) EXCLUSION - EXCLUDED OPERATION(S)
 A 520(01-17) EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM
 A 534(12-07) CORPORATE ENTITY ENDORSEMENT
 A 599(03-05) ILLINOIS CHANGES - CANCELLATION AND NONRENEWAL
 A 599.2(06-03) ILLINOIS CHANGES - CLAIMS MADE
 A 599.4(08-17) ILLINOIS CHANGES
 A 9006.1(01-15) EXCL OF PUN DAMAGES RELATED TO A CERT ACT OF TERROR
 A 940(03-94) ILLINOIS CHANGES
 A 940.1(05-11) ILLINOIS CHANGES - CIVIL UNION
 A 945.4(01-15) CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

POLICY NO.: 0331463-02-104136

ITEM 6. PREMIUM: IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

\$50,152.00 DUE AT INCEPTION.

**** SUMMARY OF ADDITIONAL CHARGES (INCLUDED IN ANNUAL PREMIUM) ****

TERRORISM RISK INSURANCE: \$ 2,589.00 ANNUAL CHARGE

IMPORTANT - ATTACH TO YOUR POLICY

**CHURCH MUTUAL INSURANCE COMPANY
CHANGE ENDORSEMENT**

THIS ENDORSEMENT FORMS A PART OF THE POLICY NUMBERED BELOW:

ENDORSEMENT EFFECTIVE DATE: 04/01/20
POLICY EFFECTIVE DATE: 04/01/20

ACCOUNT NUMBER: 0331463
TYPE AND POLICY NUMBER: 02-104136

PRAIRIE VILLAGE SUPPORTIVE LIVING LLC DBA EAGLES
VIEW SUPPORTIVE LIVING AND MEMORY CARE
200 W INTERNATIONAL AVE
RANTOUL IL 61866-3612

SUMMARY CHANGES TO YOUR POLICY WHICH DO NOT APPEAR ON THE
DECLARATION(S):

THE FOLLOWING APPLIES UNDER THE COMMON POLICY DECLARATIONS PAGE,
ITEM 1. NAMED INSURED AND ADDRESS:

PRAIRIE VILLAGE SUPPORTIVE LIVING LLC DBA EAGLES
VIEW SUPPORTIVE LIVING AND MEMORY CARE
200 W INTERNATIONAL AVE
RANTOUL, IL 61866-3612

PRAIRIE VILLAGE PROPERTY LLC
AHA ADVISORS LLC
GARDANT MANAGEMENT SOLUTIONS



**PROPERTY COVERAGE PART
DECLARATIONS PAGE**

POLICY NO.: 0331463-02-104136

ITEM 1. DESCRIPTION OF PREMISES AND COVERAGES:

PREMISES NO: 001 BUILDING NO: 001
CONSTRUCTION: MASONRY NON-COMBUSTIBLE
OCCUPANCY: ASSISTED LIVING
LOCATION: 200 W INTERNATIONAL DR
TOWNSHIP NAME: RANTOUL FPSA COUNTY: CHAMPAIGN
CITY/STATE: RANTOUL, IL

COVERAGE: BUILDING
LIMIT OF INSURANCE: \$24,000,000
COINSURANCE PERCENT: 100%
COVERED CAUSE OF LOSS: SPECIAL
VALUATION: REPLACEMENT COST
OPTIONAL COVERAGE: AUTOMATIC INCREASE IN INSURANCE
AGREED VALUE

COVERAGE: PERSONAL PROPERTY
LIMIT OF INSURANCE: \$500,000
COINSURANCE PERCENT: 100%
COVERED CAUSE OF LOSS: SPECIAL
VALUATION: REPLACEMENT COST
OPTIONAL COVERAGE: AUTOMATIC INCREASE IN INSURANCE
AGREED VALUE

COVERAGE: BUSINESS INCOME WITH EXTRA EXPENSE (72 HR. WAIT)
LIMIT OF INSURANCE: \$1,000,000
COINSURANCE PERCENT: 100%
COVERED CAUSE OF LOSS: SPECIAL
OPTIONAL COVERAGE: AGREED VALUE

ADDITIONAL COVERAGES OR ENDORSEMENTS

COVERAGE EXTENSION: NEWLY CONSTRUCTED BUILDING
LIMIT OF INSURANCE: \$2,000,000 ANY ONE OCCURRENCE

COVERAGE EXTENSION: NEWLY ACQUIRED BUILDING AND PERSONAL PROPERTY
LIMIT OF INSURANCE: \$2,000,000 ANY ONE OCCURRENCE



POLICY NO.: 0331463-02-104136

ADDITIONAL COVERAGE:	ARSON REWARD
LIMIT OF INSURANCE:	\$20,000 ANY ONE OCCURRENCE
ADDITIONAL COVERAGE:	FIRE DEPARTMENT SERVICE CHARGE
LIMIT OF INSURANCE:	\$50,000 ANY ONE OCCURRENCE
COVERAGE EXTENSION:	OUTDOOR TREES, LAWNS, PLANTS, OR SHRUBS
LIMIT OF INSURANCE:	\$2,500 EACH ITEM \$25,000 ANY ONE OCCURRENCE
ADDITIONAL COVERAGE:	DEBRIS REMOVAL
LIMIT OF INSURANCE:	\$25,000 ANY ONE OCCURRENCE
ADDITIONAL COVERAGE:	REFRIGERATED FOOD PRODUCTS
LIMIT OF INSURANCE:	\$10,000 ANY ONE OCCURRENCE
COVERAGE EXTENSION:	STRUCTURES ON PREMISES
LIMIT OF INSURANCE:	\$25,000 ANY ONE OCCURRENCE
ADDITIONAL COVERAGE:	EXTRA EXPENSE
LIMIT OF INSURANCE:	\$25,000 ANY ONE OCCURRENCE
COVERAGE EXTENSION:	BUSINESS PERSONAL PROPERTY OF YOUR ADMINISTRATORS OR FACILITY MANAGERS
LIMIT OF INSURANCE:	\$25,000 ANY ONE OCCURRENCE

ITEM 2. DEDUCTIBLE - OCCURRENCE:

\$10,000

ITEM 3. ENDORSEMENTS:

ADDITIONAL PROPERTY NOT COVERED ENDORSEMENT

DESCRIPTION: THIS POLICY EXCLUDES ANY AND ALL PROPERTIES NOT
SPECIFICALLY SCHEDULED ON THE POLICY

ITEM 4. MORTGAGEHOLDERS, LOSS PAYEES, AND CONTRACT SELLERS:

MORTGAGEHOLDER(S):

FIFTH THIRD BANK
611 N RIVER RD
ROSEMONT, IL 60018
PREMISES/BUILDINGS INCLUDED: 001 001

POLICY NO.: 0331463-02-104136

LOSS PAYEE(S):

FIFTH THIRD BANK

6111 N RIVER RD

ROSEMONT, IL 60018

PREMISES/BUILDINGS INCLUDED: 001 001



GENERAL LIABILITY COVERAGE PART DECLARATIONS PAGE

POLICY NO.: 0331463-02-104136

ITEM 1. LIMITS OF INSURANCE:

GENERAL AGGREGATE LIMIT (OTHER THAN PRODUCTS - COMPLETED OPERATIONS AND SEXUAL MISCONDUCT OR SEXUAL MOLESTATION)	\$ 3,000,000
PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT	\$ 1,000,000
EACH OCCURRENCE LIMIT (BODILY INJURY AND PROPERTY DAMAGE COMBINED)	\$ 1,000,000
PERSONAL AND ADVERTISING INJURY LIMIT (COMBINED)	\$ 1,000,000
MEDICAL EXPENSE LIMIT - ANY ONE PERSON (OTHER THAN SEXUAL MISCONDUCT OR SEXUAL MOLESTATION)	\$ 5,000
PROPERTY DAMAGE LEGAL LIABILITY - ANY ONE OCCURRENCE	\$ 1,000,000
SEXUAL MISCONDUCT OR SEXUAL MOLESTATION LIMIT (COMBINED) - ALL LOCATIONS AND OPERATIONS	
EACH CLAIM LIMIT	\$ 1,000,000
AGGREGATE LIMIT	\$ 1,000,000
SEXUAL MISCONDUCT OR SEXUAL MOLESTATION MEDICAL EXPENSE LIMIT	
ANY ONE PERSON	\$ 10,000
AGGREGATE LIMIT	\$ 50,000
LEGAL DEFENSE COVERAGE LIMIT	
EACH DEFENSIBLE INCIDENT LIMIT	\$ 5,000
AGGREGATE LIMIT	\$ 15,000
CATASTROPHIC VIOLENCE RESPONSE	
PER PERSON LIMIT	\$ 50,000
EACH VIOLENT INCIDENT LIMIT	\$ 300,000
VIOLENT INCIDENT AGGREGATE LIMIT	\$ 300,000

ITEM 2. DESCRIPTION AND CLASSIFICATION OF PREMISES AND OPERATIONS:

ALL PREMISES AND OPERATIONS UNLESS EXCLUDED IN ITEM 3 BELOW.

NONE

ITEM 3. EXCLUSION ENDORSEMENTS:

LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT.

EXCLUSION - EXCLUDED OPERATION(S). DESCRIPTION OF OPERATIONS:



THIS POLICY EXCLUDES ANY AND ALL OPERATIONS NOT
SPECIFICALLY SCHEDULED ON THE POLICY

OTHER ENDORSEMENTS:

ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION ENDORSEMENT.
SCHEDULE OF DESIGNATED PERSONS OR ORGANIZATIONS INSURED:

GARDANT MANAGEMENT SOLUTIONS
535 E NORTH ST STE E
BRADLEY, IL 60915-1188
PREMISES/BUILDINGS INCLUDED: 001 001

FIFTH THIRD BANK
6111 N RIVER RD
ROSEMONT, IL 60018
PREMISES/BUILDINGS INCLUDED: 001 001

**CRIME COVERAGE PART
DECLARATIONS PAGE**

POLICY NO.: 0331463-02-104136

ITEM 1. DESCRIPTION OF PREMISES AND COVERAGES:

PREMISES NO: 001 BUILDING NO: 001
CONSTRUCTION: MASONRY NON-COMBUSTIBLE
OCCUPANCY: ASSISTED LIVING
LOCATION: 200 W INTERNATIONAL DR
TOWNSHIP NAME: RANTOUL FPSA COUNTY: CHAMPAIGN
CITY/STATE: RANTOUL, IL

COVERAGE FORM: PREMISES - THEFT AND ROBBERY

LIMIT OF INSURANCE: \$25,000 DEDUCTIBLE: \$5,000

COVERAGE FORM: THEFT DISAPPEARANCE AND DESTRUCTION

LIMIT OF INSURANCE: \$25,000 DEDUCTIBLE: \$5,000

COVERAGE FORM: FORGERY OR ALTERATION

LIMIT OF INSURANCE: \$100,000 DEDUCTIBLE: FULL COVERAGE

COVERAGE FORM: BLANKET BOND

LIMIT OF INSURANCE: \$100,000 DEDUCTIBLE: FULL COVERAGE

ITEM 2. ENDORSEMENTS:

NONE



**PROFESSIONAL LIABILITY COVERAGE PART
CLAIMS MADE
DECLARATIONS PAGE**

POLICY NO.: 0331463-02-104136

ITEM 1. COVERAGE DESCRIPTION:

<u>COVERAGE</u>	<u>LIMIT OF INSURANCE</u>
SENIOR LIVING FACILITY PROFESSIONAL LIABILITY COVERAGE FORM	
EACH CLAIM	\$ 1,000,000
EACH AGGREGATE	\$ 3,000,000
EMPLOYEE BENEFITS LIABILITY	
EACH CLAIM	\$ 1,000,000
AGGREGATE	\$ 3,000,000
DEDUCTIBLE: \$1,000	
EMPLOYMENT PRACTICES LIABILITY	
AGGREGATE	\$ 1,000,000
RETENTION: \$5,000	

ITEM 2. OTHER ENDORSEMENTS:

EXCLUSION - EXCLUDED OPERATION(S)
THIS POLICY EXCLUDES ANY AND ALL OPERATIONS NOT
SPECIFICALLY SCHEDULED ON THE POLICY

ITEM 3. RETROACTIVE DATE:

SENIOR LIVING FACILITY PROFESSIONAL LIABILITY COVERAGE FORM DOES NOT
APPLY TO INJURY THAT ARISES OUT OF A 'PROFESSIONAL HEALTH CARE
INCIDENT' WHICH OCCURS BEFORE THE RETROACTIVE DATE, IF ANY, SHOWN
BELOW.

RETROACTIVE DATE: 08/31/15

EMPLOYEE BENEFITS LIABILITY COVERAGE DOES NOT APPLY TO INJURY THAT ARISES
OUT OF A "BENEFIT INCIDENT" WHICH OCCURS BEFORE THE RETROACTIVE DATE, IF
ANY, SHOWN BELOW.

RETROACTIVE DATE: 08/31/15



EMPLOYMENT PRACTICES LIABILITY COVERAGE DOES NOT APPLY TO INJURY THAT
ARISES OUT OF A "WRONGFUL EMPLOYMENT PRACTICE" WHICH OCCURS BEFORE
THE RETROACTIVE DATE, IF ANY, SHOWN BELOW.

RETROACTIVE DATE: 04/01/18

MUTUAL AND COMMON POLICY CONDITIONS FORM

MUTUAL POLICY CONDITIONS

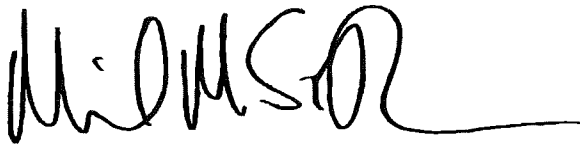
This policy is issued by a mutual company having special regulations lawfully applicable to its organization, membership, policies, or contracts of insurance, of which the following shall apply to and form a part of this policy.

You are notified that by virtue of this policy, you are a member of the Church Mutual Insurance Company of Merrill, Wisconsin. You are entitled to vote either in person or by proxy at any and all meetings of said company. The annual meetings are held in its Home Office in the city of Merrill, Wisconsin, on the third Wednesday in March of each year at 10:00 a.m.

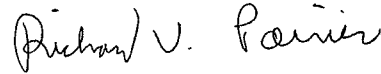
You shall participate in the return of unused premiums (dividends, if any) to the extent and on the conditions determined, fixed and declared by the board of directors in accordance with the law.

This policy is nonassessable. You are not subject to any contingent liability, nor liable to assessment.

IN WITNESS THEREOF, this company has executed and attested these presents; but this policy shall not be valid unless countersigned by the duly authorized agent of this company at the agency shown in the Declarations Page except that this policy does not have to be countersigned if the law in the state where this policy applies does not require countersignature.



Vice President, Secretary, and General Counsel



President and Chief Executive Officer

COMMON POLICY CONDITIONS

All coverage parts included in this policy are subject to the following conditions:

A. CANCELLATION

1. The first Named Insured shown in the Declarations Page may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro-rata. If the first Named Insured cancels, the refund may be less than pro-rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations Page is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports, or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections.

We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service, or similar organization which makes insurance inspections, surveys, reports, or recommendations.

E. PREMIUMS

The first Named Insured shown in the Declarations Page:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

**CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO
DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)**

This endorsement modifies insurance provided under the following:

INLAND MARINE COVERAGE PART
 PROPERTY COVERAGE PART
 GENERAL LIABILITY COVERAGE PART
 DIRECTORS, OFFICERS AND TRUSTEES LIABILITY COVERAGE FORM

SCHEDULE*

The Exception Covering Certain Fire Losses (Paragraph D) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part, or Policy:

State(s)	Coverage Form, Coverage Part, or Policy
IL	PROPERTY COVERAGE PART

* Information required to complete the Schedule, if not shown above, will be shown in the Declarations Page.

A. Applicability of the Provisions of This Endorsement.

1. The provisions of this endorsement will become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.

- a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Form, Coverage Part, or Policy; or
- b. A renewal, extension, or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:

- (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
 - (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
 - (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.
2. If the provisions of this endorsement become applicable, such provisions:
 - a. Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism," but only with respect to an incident(s) of terrorism (however defined) which results in loss, injury, or damage that occurs on or after the date when the provisions of this endorsement become applicable; (for claims-made policies, such an endorsement is superseded only with respect to an incident of terrorism [however defined] that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable); and
 - b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.
 3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism," will continue in effect unless we notify you of changes to that endorsement in response to federal law.
- B. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are enclosed in quotation marks.
 1. "Terrorism" means activities against persons, organizations, or property of any nature:
 - a. That involve the following or preparation for the following:
 - (1) Use or threat of force or violence; or
 - (2) Commission or threat of a dangerous act; or
 - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
 - b. When one or both of the following applies:
 - (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social, or economic objectives or to express (or express opposition to) a philosophy or ideology.

2. "Any injury or damage" means any injury or damage covered under any Coverage Part or Policy to which this endorsement is applicable and includes but is not limited to "bodily injury," "property damage," "personal injury," and "advertising injury" as may be defined in any applicable Coverage Part or Policy.

C. The following exclusion is added:

Exclusion of Terrorism

We will not pay for loss or damage or "any injury or damage" caused directly or indirectly by "terrorism," including action in hindering or defending against an actual or expected incident of "terrorism." Such loss or damage or "any injury or damage" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such loss, injury, or damage. But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation, or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
5. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico, and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
6. Fifty (50) or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.

With respect to this Exclusion, Paragraphs C.5. and C.6. describe the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism," there is no coverage under this Coverage Form, Coverage Part, or Policy.

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part or Policy.

D. Exception Covering Certain Fire Losses.

The following exception to the Exclusion of Terrorism applies only if indicated and as indicated in the Schedule of this endorsement.

If "terrorism" results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

E. Application of Other Exclusions.

1. When the Exclusion of Terrorism applies in accordance with the terms of C.1. or C.2., such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form, Coverage Part, or Policy.
2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage which would otherwise be excluded under this Coverage Form, Coverage Part, or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

**EXCLUSION OF PUNITIVE DAMAGES
RELATED TO A CERTIFIED ACT OF TERRORISM**

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE PART
DIRECTORS, OFFICERS AND TRUSTEES LIABILITY COVERAGE

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

B. The following definition is added:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

**THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.**

ILLINOIS CHANGES

This endorsement modifies insurance provided under the following:

**GENERAL LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART**

The exclusion(s) for exemplary or punitive damages is deleted and replaced with the following:

This insurance does not apply to any exemplary or punitive damages except that if a suit shall have been brought against the insured with respect to a claim for

acts or alleged acts falling within the coverage hereof, seeking both compensatory and punitive or exemplary damages, then the company will afford a defense to such action without liability, however, for such punitive or exemplary damages.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ILLINOIS CHANGES - CIVIL UNION

This endorsement modifies insurance provided under the following:

**GENERAL LIABILITY COVERAGE PART
HIRED AND NONOWNED AUTOMOBILE LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART**

The term spouse is replaced by the following:

Spouse or party to a civil union recognized
under Illinois law.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ILLINOIS CHANGES - DEFENSE COSTS

This endorsement modifies insurance provided under the following:

**PROPERTY COVERAGE PART (LEGAL LIABILITY COVERAGE FORM - PROPERTY)
GENERAL LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
HIRED AND NONOWNED AUTOMOBILE LIABILITY COVERAGE PART**

- A. The provisions of Paragraph B. below are added to all Insuring Agreements that set forth a duty to defend and apply to any other provision in the policy that sets forth a duty to defend.
- B. If we initially defend an insured or pay for an insured's defense but later determine that none of the claims for which we provided a defense or defense costs are covered under this insurance, we have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement under this provision will only apply to the costs we have incurred after we notify you in writing that there may not be coverage and that we are reserving our rights to terminate the defense or the payment of defense costs and to seek reimbursement for defense costs.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

PROPERTY COVERAGE PART
INLAND MARINE COVERAGE PART

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

**GENERAL LIABILITY COVERAGE PART
DIRECTORS, OFFICERS AND TRUSTEES LIABILITY COVERAGE**

- A. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.
- "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

NOTICE - DISCLOSURE OF TERRORISM PREMIUM

The Terrorism Risk Insurance Act established a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from some future terrorist attacks. The Act applies when the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States, certifies that an event meets the definition of an act of terrorism as defined in Section 102(1) of the Act. The Act provides that, to be certified, an act of terrorism must cause losses of at least \$5 million and must be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

Your policy contains coverage for certain terrorism losses in compliance with the Federal Terrorism Risk Insurance Act. We are required to notify you of the portion of your current premium, if any, attributable to the coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The Act also requires us to provide disclosure of federal participation in payment of terrorism losses.

Where coverage is provided by this policy for losses resulting from certified acts of terrorism, such losses may be partially reimbursed by the United States government under a formula established by federal law. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States government generally reimburses **85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019; AND 80% BEGINNING ON JANUARY 1, 2020**, of covered terrorism losses exceeding the statutorily established deductible paid by Church Mutual Insurance Company. The premium charged for this coverage does not include any charges for the portion of loss that may be covered by the federal government under the Act.

You should know that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits United States government reimbursement, as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your premium that is attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act is shown on your **Common Policy Declarations Page in Item 6. Premium**, under the Summary of Additional Charges (included in the Annual Premium) section.

The premium for certified acts of terrorism coverage is calculated based in part on the federal participation in payment of terrorism losses as set forth in the Terrorism Risk Insurance Act. The federal program established by the Act is scheduled to terminate December 31, 2020, unless extended by the federal government. If the federal program terminates or if the level or terms of federal participation change, the premium shown on the Common Policy Declarations Page in Item 6. Premium may not be appropriate.

PROPERTY CONDITIONS

This Property Coverage Part is subject to the Common Policy Conditions, any other conditions in any Property Coverage Forms, and the following conditions.

Other words and phrases that appear in quotation marks have special meaning. **Refer to Paragraph M - Definition.**

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you relating to it. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. LOSS CONDITIONS

1. Abandonment.

There can be no abandonment of any property to us.

2. Appraisal.

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding.

Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties in the Event of Loss or Damage.

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when, and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values, and amount of loss claimed.

- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

- (8) Cooperate with us in the investigation or settlement of the claim.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment.

- a. In the event of loss or damage covered by this Coverage Part, at our option, we will either:

- (1) Pay the value of lost or damaged property;
- (2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;
- (3) Take all or any part of the property at an agreed or appraised value; or
- (4) Repair, rebuild or replace the property with other property of comparable kind and quality, subject to b. below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

- d. We will not pay you more than your financial interest in the Covered Property.

- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payment will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part; and:

- (1) We have reached agreement with you on the amount of loss; or

- (2) An appraisal award has been made.

5. Recovered Property.

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Vacancy.

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage, we will:

- a. Not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

- (1) Vandalism;

- (2) Sprinkler leakage, unless you have protected the system against freezing;
 - (3) Building glass breakage;
 - (4) Water damage;
 - (5) Theft; or
 - (6) Attempted theft.
- b. Reduce the amount we would otherwise pay for the loss or damage by 15%.

This Vacancy Condition does not apply to any dwelling of four families or less that is intended for employee occupancy.

A building is vacant when it does not contain enough of your personal property to conduct customary operations. Buildings in the course of construction are not considered vacant.

7. Valuation.

- a. Replacement Cost. If Replacement Cost is shown in the Declarations Page as applicable to Covered Property, we will determine the value of Covered Property in the event of loss or damage as follows:
- (1) At Replacement Cost (without deduction for depreciation) as of the time of loss or damage, except as provided under c. below.
 - (2) You may make a claim for loss or damage covered by this insurance on an "Actual Cash Value" basis instead of on a Replacement Cost basis. In the event you elect to have loss or damage settled on an "Actual Cash Value" basis:
 - (a) We will then determine the value of Covered Property on an "Actual Cash Value" basis when applying the Coinsurance Condition;
 - (b) You may still make a claim on a Replacement Cost basis if you notify us of your intent to do so within 180 days after the date of the loss or damage.
 - (3) We will not pay on a Replacement Cost basis for any loss or damage:

- (a) Until the lost or damaged property is actually repaired or replaced; and
 - (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- (4) We will not pay more for loss or damage on a Replacement Cost basis than the least of:
- (a) The Limit of Insurance applicable to the lost or damaged property;
 - (b) The cost to replace "on the same premises" the lost or damaged property with other property:
 - 1) Of comparable material and quality; and
 - 2) Used for the same purpose; or
 - (c) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

The term "on the same premises" is a limitation on the amount of loss or damage we will pay. It does not require you to replace lost or damaged property at the same site.

- (5) The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- b. "Actual Cash Value." If "Actual Cash Value" is shown in the Declarations Page as applicable to Covered Property, we will determine the value of Covered Property in the event of loss or damage at "Actual Cash Value" as of the time of loss or damage except as provided under c. below.
- c. We will determine the value of the below Covered Property as of the time of loss or damage as follows:
- (1) Glass at the minimum cost of replacement with safety glazing material if required by law;

(2) Tenant's improvements and betterments at:

- (a) "Actual Cash Value" of the lost or damaged property if you make repairs promptly;
- (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

- 1) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
- 2) Divide the amount determined in 1) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (c) Nothing if others pay for repairs or replacement.

(3) Manuscripts and valuable papers and records, including those which exist on electronic or magnetic media (other than prepackaged software programs) at the cost of:

- (a) Blank materials for reproducing the manuscripts and valuable papers and records; and
- (b) Labor to transcribe or copy the manuscripts and valuable papers and records when there is a duplicate.

(4) The following applies to building property that is subject to "Actual Cash Value":

- (a) If the Limit of Insurance for building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value.

- 1) Awnings or floor coverings;
- 2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- 3) Outdoor equipment or furniture.

- (5) Personal property that is a work of art, antique or rare article at Market Value. This does not increase the amount of the limitation on works of art, antiques and rare articles. (Refer to the applicable Causes of Loss Form.)
- (6) Property covered under the Newly Acquired Property Coverage Extension at "Actual Cash Value";
- (7) Property of Others at replacement cost.
- (8) Business Personal Property of Your Clergy covered under the Coverage Extension at replacement cost.

D. COINSURANCE

1. If a Coinsurance percentage is shown in the Declarations Page, the following condition applies:

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations Page is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);

- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example No. 1 (Underinsurance):

When: The value of the property is \$250,000
 The Coinsurance percentage for it is 80%
 The Limit of Insurance for it is \$100,000
 The Deductible is \$250
 The amount of loss is \$40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
 (the minimum amount of insurance to meet your Coinsurance requirements).

Step (2): $\$100,000 \div \$200,000 = .50$.

Step (3): $\$40,000 \times .50 = \$20,000$.

Step (4): $\$20,000 - \$250 = \$19,750$.

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

Example No. 2 (Adequate Insurance):

When: The value of the property is \$250,000
 The Coinsurance percentage for it is 80%
 The Limit of Insurance for it is \$200,000
 The Deductible is \$250
 The amount of loss is \$40,000

The minimum amount of insurance to meet your coinsurance requirement is \$200,000 ($\$250,000 \times 80\%$). Therefore, the limit of insurance in this example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example No. 3:

When: The value of the property is:

Building at Location No. 1	\$ 75,000
Building at Location No. 2	\$100,000
Personal Property at Location No. 2	<u>\$ 75,000</u>
	<u>\$250,000</u>

The Coinsurance percentage for it is 90%
 The Limit of Insurance for Buildings and Personal Property at Location Nos. 1 and 2 is \$180,000

The Deductible is \$ 1,000

The amount of loss is:
 Building at Location No. 2 \$ 30,000
 Personal Property at Location No. 2 \$ 20,000
\$ 50,000

Step (1): $\$250,000 \times 90\% = \$225,000$
 (the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below).

Step (2): $\$180,000 \div \$225,000 = .80$.

Step (3): $\$50,000 \times .80 = \$40,000$.

Step (4): $\$40,000 - \$1,000 = \$39,000$.

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

If a loss to any covered dwelling of four families or less is valued at "Actual Cash Value", this Coinsurance Condition does not apply to that loss. However, Paragraph C.7.c.(4) applies only if the Limit of Insurance for that dwelling is at least 80% of "Actual Cash Value."

E. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the

actual amount of the loss or damage.

F. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

G. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

H. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

I. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions, and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

J. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:

- a. During the policy period shown in the Declarations Page; and

- b. Within the coverage territory.

2. The coverage territory is:

- a. The United States of America (including its territories and possessions);
- b. Puerto Rico; and
- c. Canada.

K. TRANSFERS OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
 - c. Your tenant.

This will not restrict your insurance.

L. MORTGAGEHOLDERS

1. The term "mortgageholder" includes trustee.
2. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations Page in their order of precedence, as interests may appear.
3. The mortgageholder has the right to receive loss payments even if the mortgageholder has started foreclosure or similar action on the building or structure.

POLICY NO.: 0331463-02-104136

4. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - a. Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - b. Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - c. Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.
- All of the terms of this Coverage Part will then apply directly to the mortgageholder.
5. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
 - a. The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

- b. The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

6. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
7. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

M. DEFINITION

1. "Actual Cash Value" means the amount it would cost to repair or replace Covered Property with material of comparable kind and quality, less allowance for deterioration and depreciation, including obsolescence.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**IDENTITY RECOVERY COVERAGE FORM
IDENTITY THEFT CASE MANAGEMENT SERVICE AND EXPENSE REIMBURSEMENT**

The following is added to the Property Coverage Part:

IDENTITY RECOVERY COVERAGE

We will provide the Case Management Service and Expense Reimbursement Coverage indicated below if all of the following requirements are met:

1. There has been an "identity theft" involving the personal identity of an "identity recovery insured" as defined in this coverage form; and
2. Such "identity theft" is first discovered by the "identity recovery insured" during the period for which this Identity Recovery Coverage is applicable; and
3. Such "identity theft" is reported to us within 60 days after it is first discovered by the "identity recovery insured."

If all three of the requirements listed above have been met, then we will provide the following to the "identity recovery insured":

1. Case Management Service

Services of an "identity recovery case manager" as needed to respond to the "identity theft"; and

2. Expense Reimbursement

Reimbursement of necessary and reasonable "identity recovery expenses" incurred as a direct result of the "identity theft."

This coverage is additional insurance.

EXCLUSIONS

The following additional exclusions apply to this coverage:

We do not cover loss or expense arising from any of the following.

1. The theft of a professional or business identity.
2. Any fraudulent, dishonest or criminal act by an "identity recovery insured" or any person aiding or abetting an "identity recovery insured", or by any

authorized representative of an "identity recovery insured", whether acting alone or in collusion with others. In all these cases, it does not matter whether the individual is acting alone or in collusion with others. However, this exclusion shall not apply to the interests of an "identity recovery insured" who has no knowledge of or involvement in such fraud, dishonesty or criminal act.

3. An "identity theft" that is not reported in writing to the police.

LIMITS

Case Management Service is available as needed for any one "identity theft" for up to 12 consecutive months from the inception of the service. Expenses we incur to provide Case Management Service do not reduce the amount of limit available for Expense Reimbursement coverage.

Expense Reimbursement coverage is subject to a limit of \$15,000 annual aggregate per "identity recovery insured." Regardless of the number of claims, this limit is the most we will pay for the total of all loss or expense arising out of all "identity thefts" to any one "identity recovery insured" which are first discovered by the "identity recovery insured" during a 12-month period starting with the beginning of the present annual coverage form period. If an "identity theft" is first discovered in one coverage form period and continues into other coverage form periods, all loss and expense arising from such "identity theft" will be subject to the aggregate limit applicable to the coverage form period when the "identity theft" was first discovered.

Legal costs as provided under Item d. of the definition of "identity recovery expenses" are part of, and not in addition to, the Expense Reimbursement coverage limit.

Item e. (Lost Wages) and Item f. (Child and Elder Care Expenses) of the definition of "identity recovery expenses" are jointly subject to a sublimit of \$5,000. This sublimit is part of, and not in addition to, the

Expense Reimbursement coverage limit. Coverage is limited to wages lost and expenses incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured."

Item g. (Mental Health Counseling) of the definition of "identity recovery expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expense Reimbursement coverage limit. Coverage is limited to counseling that takes place within 12 months after the first discovery of the "identity theft" by the "identity recovery insured."

Item h. (Miscellaneous Unnamed Costs) of the definition of "identity recovery expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expense Reimbursement coverage limit. Coverage is limited to costs incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured."

DEDUCTIBLE

Case Management Service is not subject to a deductible.

Expense Reimbursement coverage is not subject to a deductible.

ADDITIONAL CONDITIONS

The following additional conditions apply in addition to the Common Policy Conditions and the Property Conditions:

A. Assistance and Claims

For assistance, the "identity recovery insured" should call the toll-free number provided.

The toll-free number can provide the "identity recovery insured" with:

1. Information and advice on how to respond to a possible "identity theft"; and
2. Instructions on how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

In some cases, we may provide Case Management services at our expense to an "identity recovery insured" prior to a determination that a covered "identity theft" has occurred. Our provision of such services is not an admission of liability under the coverage form. We reserve the right to deny

further coverage or service if, after investigation, we determine that a covered "identity theft" has not occurred.

As respects Expense Reimbursement Coverage, the "identity recovery insured" must send to us, within 60 days after our request, receipts, bills or other records that support his or her claim for "identity recovery expenses."

B. Services

The following conditions apply as respects any services provided by us or our designees to any "identity recovery insured" under this endorsement:

1. Our ability to provide helpful services in the event of an "identity theft" depends on the cooperation, permission and assistance of the "identity recovery insured."
2. All services may not be available or applicable to all individuals. For example, "identity recovery insureds" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
3. We do not warrant or guarantee that our services will end or eliminate all problems associated with an "identity theft" or prevent future "identity thefts."

DEFINITIONS

With respect to the provisions of this coverage form only, the following definitions are added:

1. "Identity Recovery Case Manager" means one or more individuals assigned by us to assist an "identity recovery insured" with communications we deem necessary for re-establishing the integrity of the personal identity of the "identity recovery insured." This includes, with the permission and cooperation of the "identity recovery insured," written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.
2. "Identity Recovery Expenses" means any of the following when they are reasonable and

necessary expenses that are incurred as a direct result of an "identity theft":

- a. Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an "identity theft."
- b. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of your efforts to report an "identity theft" or amend or rectify records as to your true name or identity as a result of an "identity theft."
- c. Costs for credit reports from established credit bureaus.
- d. Costs for an attorney approved by us for the following.
 - (1) The defense of any civil suit brought against an "identity recovery insured."
 - (2) The removal of any civil judgment wrongfully entered against an "identity recovery insured."
 - (3) Legal assistance for an "identity recovery insured" at an audit or hearing by a governmental agency.
 - (4) Legal assistance in challenging the accuracy of the "identity recovery insured's" consumer credit report.
 - (5) The defense of any criminal charges brought against an "identity recovery insured" arising from the actions of a third party using the personal identity of the "identity recovery insured."
- e. Actual lost wages of the "identity recovery insured" for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.

- f. Actual costs for supervision of children or elderly or infirm relatives or dependants of the "identity recovery insured" during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured."
- g. Actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured."
- h. Any other reasonable costs necessarily incurred by an "identity recovery insured" as a direct result of the "identity theft." Such costs include:

- (1) Costs by the "identity recovery insured" to recover control over his or her personal identity.
- (2) Deductibles or service fees from financial institutions.

Such costs do not include:

- (3) Costs to avoid, prevent or detect "identity theft" or other loss.
- (4) Monies lost or stolen.
- (5) Costs that are restricted or excluded elsewhere in this endorsement or coverage form.

3. "Identity Recovery Insured" means the following:

- a. When the entity insured under this coverage form is a religious institution, school or college, camp, or senior living facility the "identity recovery insureds" are:
 - (1) All clergy employed by such entity; and
 - (2) The religious institution business administrator, the head school or college administrator, camp director, or senior living administrator of such entity.
- b. "Identity recovery insured" also includes residents of the household of anyone qualifying as an "identity recovery insured" under Section a. above, provided such individuals are:

- (1) Relatives of the person qualifying as an "identity recovery insured" under Section a. above ; or
 - (2) Under the age of 21 and in the care of the person qualifying as an "identity recovery insured" under Section a. above.
- c. When the entity insured under this coverage form is not a religious institution, school or college, camp, or senior living facility, then the definition of "identity recovery insured" depends on the ownership structure of the entity as follows:
- (1) When the entity insured under this coverage form is a sole proprietorship, the "identity recovery insured" is the individual person who is the sole proprietor of the insured entity.
 - (2) When the entity insured under this coverage form is a partnership, the "identity recovery insureds" are the current partners.
 - (3) When the entity insured under this coverage form is a corporation or other organization, the "identity recovery insureds" are all individuals having an ownership position of 20% or more of the insured entity. However, if and only if, there is no one who has such an ownership position, then the "identity recovery insured" shall be the executive director of the insured entity.

An "identity recovery insured" must always be an individual person. The entity insured under this coverage form is not an "identity recovery insured."

4. "Identity Theft" means the fraudulent use of the social security number or other method of identifying an "identity recovery insured." This includes fraudulently using the personal identity of an "identity recovery insured" to establish credit accounts, secure loans, enter into contracts or commit crimes.

"Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

All other provisions of this coverage form apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the Property Coverage Part. The following is added to the **CAUSES OF LOSS – SPECIAL FORM**.

Exclusion g. of Paragraph **B. EXCLUSIONS** is replaced by the following:

g. Water.

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment except as provided under G. Additional Coverage – Back Up Through Sewers and Drains.
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - a. Foundations, walls, floors or paved surfaces;
 - b. Basements, whether paved or not; or
 - c. Doors, windows or other openings; or

- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph 1., 3., or 4. or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs g. (1) through g. (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs g. (1) through g. (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

PROPERTY COVERAGE PART

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.
- However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part are hereby amended to remove reference to bacteria:
1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria: and
 2. Additional Coverage - Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part.

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

For Senior Living Facilities, Apartments, and Related Properties

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations Page. The words "we", "us", and "our" refer to Church Mutual Insurance Company.

Other words and phrases that appear in quotation marks have special meaning. Refer to **Paragraph I - DEFINITIONS**.

This Coverage Form replaces any other Coverage Form providing insurance on your Buildings and Personal Property but only for the property to which this Coverage Form applies, as shown in the Declarations Page.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations Page caused by or resulting from any Covered Cause of Loss.

1. Covered Property.

Covered Property, as used in this Coverage Form, means the type of property described in this section, A.1., and limited in A.2., Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations Page, including:

- (1) Signs on or within 100 feet of the described premises.
- (2) Signs away from premises.
- (3) Completed additions.
- (4) Electric sound amplification equipment and accessories.
- (5) Fixtures, including outdoor fixtures.
- (6) Permanently installed:
 - (a) Machinery; and

(b) Equipment.

(7) Glass windows and their protective covering.

(8) The following personal property owned by you that is used to maintain or service the building or structure or its premises:

(a) Fire extinguishing equipment;

(b) Outdoor furniture;

(c) Floor coverings fastened to the floor; and

(d) Appliances used for refrigerating, ventilating, cooking, dishwashing, or laundering.

(9) If not covered by other insurance:

(a) Alterations and repairs to the building or structure;

(b) Materials, equipment, supplies, and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations, or repairs to the building or structure.

- b. Your Business Personal Property (not otherwise insured under building) located in or on the building described in the Declarations Page or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following:
- (1) Furniture and fixtures.
 - (2) Machinery and equipment.
 - (3) All other personal property owned by you and used in your business.
 - (4) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations, or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove.
 - (5) Leased personal property for which you have a written contractual responsibility to insure. The contractual responsibility must have been established prior to any direct physical loss of or damage to the personal property.
2. Property Not Covered.
- Covered Property does not include:
- a. Accounts, bills, currency, deeds, evidences of debt, "money", notes, or "securities", except as provided under coverage extensions for "money" and "securities".
 - b. Animals.
 - c. Bridges, roadways, walks, patios, or other paved surfaces.
 - d. The cost of excavations, grading, backfilling, or filling.
 - e. Foundations of buildings, structures, machinery, or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement.
 - f. Water, land (including land on which the property is located), and growing crops.
 - g. Bulkheads, pilings, piers, wharves, or docks.
 - h. Property that is covered under another Coverage Form of this policy or any other policy in which it is more specifically described.
 - i. Outdoor fences and retaining walls, except as provided in the Coverage Extensions.
 - j. Underground pipes, flues, or drains.
 - k. The cost to research, replace, or restore the information on valuable papers and records, including those which exist on electronic or magnetic media, except as provided in the Coverage Extensions.
 - l. Vehicles or self-propelled machines (including automobiles, watercraft, and aircraft) that:
 - (1) Are operated principally away from the described premises; or
 - (2) Are licensed for use on public roads.

This Paragraph l. does not apply to your canoes or rowboats when on described premises.
 - m. The following property while outside of buildings:
 - (1) Grain, hay, straw, or other crops.

(2) Radio, television, satellite dish type, or other antennas, including their lead-in wiring, masts, or towers, except as provided in the Coverage Extensions.

(3) Trees, lawns, plants, or shrubs, except as provided in the Coverage Extensions.

B. DEDUCTIBLE

In any one occurrence of covered loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

Example No. 1:

This example assumes there is no coinsurance penalty.

Deductible: \$250

Limit of Insurance - Bldg. 1:	\$60,000
Limit of Insurance - Bldg. 2:	\$80,000
Loss to Bldg. 1:	\$60,100
Loss to Bldg. 2:	\$90,000

The amount of loss to Bldg. 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Bldg. 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Bldg. 1:

\$60,100
- 250
\$59,850 Loss Payable - Bldg. 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Bldg. 2. Loss payable for Bldg. 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable: \$59,850 + \$80,000 = \$139,850

Example No. 2:

This example, too, assumes there is no coinsurance penalty.

The Deductible and Limits of Insurance are the same as those in Example No. 1.

Loss to Bldg. 1: \$70,000 (exceeds Limit of Insurance plus Deductible)
Loss to Bldg. 2: \$90,000 (exceeds Limit of Insurance plus Deductible)

Loss Payable - Bldg. 1: \$60,000 (Limit of Insurance)
Loss Payable - Bldg. 2: \$80,000 (Limit of Insurance)
Total Amount of Loss Payable: \$140,000

C. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance as shown in the Declarations Page.

D. COVERED CAUSES OF LOSS

See the applicable Causes of Loss Form as shown in the Declarations Page.

E. EXCLUSIONS AND LIMITATIONS

See the applicable Causes of Loss Form as shown in the Declarations Page.

F. COVERAGE EXTENSIONS

Each of the following Coverage Extensions are additional insurance. The Coinsurance Condition does not apply to these Extensions.

1. Newly Constructed Buildings.

- a. You may extend the insurance that applies to building to apply to:

(1) Your new buildings while being built in the United States of America, Puerto Rico, or Canada.

(2) Your additions to buildings:

(a) Covered by the Building and Personal Property Coverage Form; and

(b) Only if the addition is under construction.

- b. Insurance under this Extension for newly constructed building will end when any of the following first occurs:

(1) This policy expires;

(2) 180 days expire after you begin to construct the property; or

(3) You report values to us.

We will charge you additional premium for values reported from the date construction begins. The most we will pay for loss or damage under this Extension is \$1,000,000, unless a higher limit is shown on the Declarations Page, for any one occurrence.

2. Newly Acquired Buildings and Newly Acquired Personal Property.

- a. You may extend the insurance that applies to building and personal property to apply to any building and personal property you acquire that is located (other than at described premises) in the United States of America, Puerto Rico, or Canada. The building and personal property must be owned by you and intended for similar use as the building and personal property described in the Declarations Page.

- b. Insurance under this Extension for newly acquired building and personal property will end when any of the following first occurs:

(1) This policy expires;

(2) 180 days expire after you acquire the building or the personal property located therein; or

(3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The most we will pay for loss or damage under this Extension is \$1,000,000, unless a higher limit is shown on the Declarations Page, for any one occurrence.

3. Personal Property of Others.

- a. You may extend the insurance that applies to your personal property to apply to:

(1) Personal property of your officers, trustees, employees (other than administrators or facility managers), guests, visitors, and authorized volunteers; and

(2) Personal property of others (including your residents) in your care, custody, or control.

- b. This Extension applies only when the personal property is at the premises described in the Declarations Page.

- c. This Extension does not apply if other insurance covers the same loss or damage, except we will pay for the amount of loss or damage we cover in excess of the amount due from that other insurance, including any deductible. We will not pay the amount due from that other insurance.

- d. Our payment for loss of or damage to personal property of others:

- (1) Will only be for the account of the owner of the property.
- (2) Will not exceed the Actual Cash Value of the lost or damaged property.

The most we will pay for loss or damage to personal property of any one person under this Extension is \$2,500. But we will not pay more than \$250 on any single item of residents' jewelry, watches, furs, or fur-trimmed articles for loss or damage by theft. The most we will pay for all loss or damage under this Extension is \$25,000, unless a higher limit is shown on the Declarations Page, for any one occurrence.

The most we will pay for loss or damage to "money" and "securities" of any one resident is \$300, subject to a limit of \$3,000 in any one occurrence. A sum of \$100 shall be deducted from each claim for loss or damage to residents "money" and "securities".

4. Business Personal Property of Your Administrators or Facility Managers.

- a. You may extend the insurance that applies to your personal property to apply to business personal property of your administrators or facility managers.
- b. This Extension applies when business personal property of your administrators or facility managers is at or away from the premises described in the Declarations Page.
- c. This Extension does not apply if other insurance covers the same loss or damage, except we will pay for the amount of loss or damage we cover in excess of the amount due from that other insurance, including any deductible. We will not pay the amount due from that other insurance.

- d. Our payment for loss of or damage to business personal property of your administrators or facility managers will only be for the account of the owner of the property.

The most we will pay for loss or damage under this Extension is \$10,000, unless a higher limit is shown on the Declarations Page, for any one occurrence.

5. Valuable Papers and Records - Cost of Research.

- a. You may extend the insurance that applies to your personal property to apply to your costs necessarily incurred to research, replace, or restore the lost information on lost or damaged valuable papers and records:

- (1) Of your residents, if held for safekeeping by you.

- (2) You own.

Valuable papers and records include those which exist on electronic or magnetic media for which duplicates do not exist.

The most we will pay under this Extension is \$10,000, unless a higher limit is shown on the Declarations Page, for any one occurrence.

6. Property Off Premises.

You may extend the insurance that applies to Covered Property to apply to:

- a. Your Covered Property that is temporarily (not to exceed 180 days) removed from the premises described in the Declarations Page.
- b. Your Covered Property in transit more than 100 feet from the premises described in the Declarations Page. We do not cover any loss or damage caused by or resulting from any transporting vehicle's collision with the roadbed.

This Extension applies to Covered Property anywhere in the world.

The most we will pay for loss or damage under this Extension is \$25,000, unless a higher limit is shown on the Declarations Page, for any one occurrence.

7. Outdoor Trees, Lawns, Plants, or Shrubs.

You may extend your insurance to cover loss or damage to outdoor trees, lawns, plants, or shrubs at the described premises. Loss or damage includes debris removal expense and must be caused by or result from any of the following Causes of Loss:

- a. Fire.
- b. Lightning.
- c. Explosion.
- d. Riot.
- e. Civil Commotion.
- f. Aircraft.
- g. Theft.
- h. Vandalism.
- i. Vehicles, except loss or damage:
 - (1) Caused by or resulting from maintenance, construction, or repairs.
 - (2) Which is cumulative, occurring over a period of days, weeks, or months.

The most we will pay for loss or damage to any one tree, lawn, plant, or shrub is \$500, unless a higher limit is shown on the Declarations Page. The most we will pay for all loss or damage under this Extension is \$5,000, unless a higher limit is shown on the Declarations Page, for any one occurrence.

8. Structures on Premises.

You may extend the insurance that applies to your buildings or personal property to apply to permanent structures owned by you. The permanent structures must be located on the premises described in the Declarations Page and be separated from buildings by clear space.

a. Structures on Premises include:

- (1) Maintenance, service, or storage buildings and their contents;
- (2) Fences and retaining walls;
- (3) Pavilions and similar shelters;
- (4) Light bearing standards or poles; and
- (5) Radio, television, satellite dish type, or other antennas (and their lead-in wiring, masts, or towers), even if not separated from buildings by clear space.

b. Structures on Premises does not include:

- (1) Any building (other than maintenance, service, or storage buildings and their contents); or
- (2) Any outside signs.

The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown on the Declarations Page, for any one occurrence.

9. Accounts Receivable.

You may extend the insurance provided by this Coverage Form to apply to:

- a. All amounts due from your customers that you are unable to collect;
- b. Interest charges on any loan required to offset amounts you are

unable to collect pending our payment of these amounts;

- c. Collection expenses in excess of your normal collection expenses that are made necessary by the "loss"; and
- d. Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from a Covered Cause of Loss to your records of accounts receivable.

Insurance under this Extension shall apply only:

- (1) While records of accounts receivable are contained in the premises shown on the Declarations;
- (2) While such records are in actual use;
- (3) While such records are being removed to a place of safety because of imminent danger of loss or damage; and
- (4) While being returned from such place.

The most we will pay for loss under this Extension is \$25,000, unless a higher limit is shown on the Declarations Page, for any one occurrence.

10. Money and Securities.

You may extend the insurance that applies to your personal property to apply to your "money" and "securities". We will pay \$10,000 for loss in or on the described premises or in a bank or savings institution. We will pay \$5,000 if loss occurs en route to or from the described premises, a bank, or savings institution, or within the living quarters of the person who has custody of the funds.

G. ADDITIONAL COVERAGES

Each of the following Additional Coverages provides an additional amount of insurance unless otherwise indicated.

1. Debris Removal

- a. Subject to Paragraphs c. and d., we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- b. Debris Removal does not apply to costs to:
 - (1) Extract "pollutants" from land or water; or
 - (2) Remove, restore, or replace polluted land or water.
- c. Subject to the exceptions in Paragraph d., the following provisions apply:
 - (1) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (2) Subject to (1) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- d. We will pay an additional \$10,000, unless a higher limit is shown on the Declarations Page, for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(1) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

(2) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if d.(1) and/or d.(2) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000, unless a higher limit is shown on the Declarations Page.

e. Examples

The following examples assume that there is no coinsurance penalty.

Example #1

Limit of Insurance	\$90,000
Amount of Deductible	\$500
Amount of Loss	\$50,000
Amount of Loss Payable	\$49,500
	(\$50,000-\$500)
Debris Removal Expense	\$10,000
Debris Removal Expense Payable	\$10,000
	(\$10,000 is 20% of \$50,000)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph c.

Example #2

Limit of Insurance	\$90,000
Amount of Deductible	\$500
Amount of Loss	\$80,000
Amount of Loss Payable	\$79,500
	(\$80,000-\$500)
Debris Removal Expense	\$30,000
Debris Removal Expense Payable Basic Amount	\$10,500
Additional Amount	\$10,000

The basic amount payable for debris removal expense under the terms of Paragraph c. is calculated as follows: \$80,000 (\$79,500 + \$500) X .25 = \$20,000; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph d., because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph d. Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

2. Preservation of Property.

If it is necessary to move Covered Property from the premises described in the Declarations Page to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss of or damage to that property:

- a. While it is being moved or while temporarily stored at another location; and

- b. Only if the loss or damage occurs within 30 days after the property is first moved.

This is not an additional amount of insurance.

3. Fire Department Service Charge.

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000, unless a higher limit is shown on the Declarations Page, for your liability for fire department service charges:

- a. Assumed by contract or agreement prior to loss; or
- b. Required by local ordinance.

No deductible applies to this Additional Coverage.

4. Fire Extinguisher and Fire Suppression System Recharge

- a. We will pay the actual cost to recharge fire extinguishers after their use in fighting a fire at the described premises.
- b. We will pay the actual cost to recharge fire suppression systems due to leakage or discharge at the described premises. However, this provision applies only if the leakage or discharge of the fire suppression system is caused by a Covered Cause of Loss.

5. Extra Expense.

We will pay any actual and necessary extra expense sustained by you due to direct physical loss of or damage to Covered Property (except any dwelling) at the premises described in the Declarations Page caused by or resulting from any Covered Cause of Loss.

- a. Extra expense means necessary "additional expense" you incur during the "period of restoration":

- (1) To avoid or minimize the "suspension" of your "operations":

- (a) At the premises described in the Declarations Page.

- (b) At replacement premises or at temporary locations, including relocation expenses and costs to equip and operate the temporary or replacement locations.

- (2) To minimize the "suspension" of your "operations" if you cannot continue "operations".

- (3) To reduce the amount of loss otherwise payable by:

- (a) Repairing or replacing any property; or

- (b) Researching, replacing, or restoring the lost information on damaged valuable papers and records;

to the extent (a) or (b) above, reduce the amount of loss otherwise payable.

The most we will pay for this Additional Coverage is \$10,000, unless a higher limit is shown on the Declarations Page, for any one occurrence.

6. Emergency Evacuation Expense.

- a. We will pay your "emergency evacuation expense" to temporarily remove residents from the described premises when in your judgment:

- (1) The physical well-being of your residents is in imminent danger due to:

- (a) The actual or potential for damage to described property by a Covered Cause of Loss.

b. We do not cover:

- (1) Any expense of evacuation drills.
- (2) Any expense of evacuation caused by:
 - (a) Strikes.
 - (b) False bomb, fire, or similar threats, unless ordered by civil authority.

The most we will pay under this Additional Coverage is \$10,000, unless a higher limit is shown on the Declarations Page, for any one emergency evacuation.

7. Refrigerated Food Products.

We will pay for loss of or damage to refrigerated food products at the premises described in the Declarations Page caused by the interruption of power supply services to those premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to property used to supply power to your premises.

The most we will pay under this Additional Coverage is \$1,000, unless a higher limit is shown on the Declarations Page, for any one occurrence.

8. Arson Reward.

We will pay a reward for information leading to a conviction for arson. The reward is payable only for information concerning a fire loss to property covered by this policy.

The most we will pay as a reward is \$5,000, unless a higher limit is shown on the Declarations Page, even if more than one person provides information leading to a conviction for arson. We will base

the amount of our reward payment on the value of the information furnished.

No deductible applies to this Additional Coverage.

This Additional Coverage does not apply to anyone who personally participated in the arson.

9. Pollutant Cleanup and Removal.

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor, or assess the existence, concentration, or effects of "pollutants", but we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Cause of Loss occurring during each separate 12-month period of this policy.

10. Building Ordinance.

- a. If a Covered Cause of Loss occurs to covered building property, we will pay:

- (1) Coverage for Loss to the Undamaged Portion of the Building.

With respect to the building that has sustained covered direct physical damage, we will pay for the loss in value of the undamaged portion of the building as a consequence of

enforcement of an ordinance or law that requires the demolition of undamaged parts of the same building.

(2) Demolition Cost Coverage.

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

(3) Increased Cost of Construction Coverage.

(a) With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- 1) Repair or reconstruct damaged portions of that Building property; and/or
- 2) Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- 1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning, or

land use ordinance or law.

- 2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed, or remodeled.

(b) When a building is damaged or destroyed and Increased Cost of Construction Coverage applies to that building in accordance with (3)(a) above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in (3)(a):

- 1) The cost of excavations, grading, backfilling, and filling;
- 2) Foundation of the building;
- 3) Pilings; and
- 4) Underground pipes, flues, and drains.

The items listed in (b)1) through (b)4) above, are deleted from Property Not Covered, but only with respect to the coverage described in this provision, (3)b).

b. Application of Coverage(s).

The Coverage(s) provided by this additional coverage apply only if both b.(1) and b.(2) are satisfied and are then subject to the qualifications set forth in b.(3).

(1) The ordinance or law:

- (a) Regulates the demolition, construction, or repair of

buildings or establishes zoning or land use requirements at the described premises; and

(b) Is in force at the time of loss.

But coverage under this additional coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this additional coverage.

(2) (a) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or

(b) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage, in its entirety, results in enforcement of the ordinance or law.

(c) But if the building sustains direct physical damage that is not covered under this policy and such damage is the subject of the ordinance or law, then there is no coverage under this additional coverage even if the building has also sustained covered direct physical damage.

(3) In the situation described in b.(2)(b) above, we will not pay the full amount of loss otherwise payable under the terms of Paragraph a. of this additional coverage. Instead, we will pay a proportion of such loss; meaning the proportion that the covered

direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Paragraph a. of this additional coverage.

c. Loss Payment

(1) All following loss payment Provisions, c.(2) through c.(4), are subject to the apportionment procedures set forth in Paragraph b. of this additional coverage.

(2) When there is a loss in value of an undamaged portion of a building to which Coverage for Loss to the Undamaged Portion of the Building applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

(a) If the Replacement Cost Coverage Option applies and the property is repaired or replaced, on the same or another premises, we will not pay more than the amount you actually spend to repair, rebuild, or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style, and comparable quality of the original property insured.

(b) If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the actual cash value of

the building at the time of loss.

- (3) Loss payment under Demolition Cost Coverage is the amount you actually spend to demolish and clear the site of the described premises.
- (4) Loss payment under Increased Cost of Construction Coverage will be determined as follows:
 - (a) We will not pay under Increased Cost of Construction Coverage:
 - 1) Until the property is actually repaired or replaced, at the same or another premises; and
 - 2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Increased Cost of Construction is the increased cost of construction at the same premises; or
 - (c) If the ordinance or law requires relocation to another premises, the most we will pay under Increased Cost of Construction is the increased cost of construction at the new premises.
- d. Under this Additional Coverage, we will not pay for:

- (1) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling, or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread, or any activity of "fungus", wet or dry rot, or bacteria; or
- (2) Any costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot, or bacteria.
- e. Under this additional coverage, we will not pay for loss due to any ordinance or law that:
 - (1) You were required to comply with before the loss, even if the building was undamaged; and
 - (2) You failed to comply with.

The most we will pay under this Additional Coverage is 10% of the amount we pay for direct physical loss or damage to covered property or \$25,000, unless a higher limit is shown on the Declarations Page, whichever is less, for any one occurrence.

H. OPTIONAL COVERAGES

If shown as applicable in the Declarations Page, the following Optional Coverages apply separately to each item.

- 1. Agreed Value.
 - a. The Coinsurance Condition does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations Page.

- b. The terms of this Optional Coverage apply only to loss or damage that occurs on or after the effective date of this Optional Coverage.

2. Automatic Increase in Insurance.

- a. The Limit of Insurance for buildings and personal property described in the Declarations Page shall be increased at the same rate as the increase in the published construction cost multipliers on file with the company.

- b. We will determine the Limit of Insurance as of the time of loss or damage as follows:

- (1) We will multiply the latest available published construction cost multiplier by the Limit of Insurance shown for the lost or damaged property.

The Limit of Insurance as determined above will not be reduced to less than the limit shown in the Declarations Page.

If the Limit of Insurance for any building or personal property is changed during the term of this policy, the inception date of this Optional Coverage for that property will be the same as the date of the change.

I. DEFINITIONS

- 1. "Additional expense" means expense you incur that you would not have incurred if there had been no direct physical loss or damage. When your operations are resumed, we will deduct from the total of such expenses the salvage value that remains of any property bought for temporary use during the "period of restoration".
- 2. "Additional living expense" means any necessary increase in living expenses you incur for your employees (including your administrator) so they can maintain their normal standard of living.

"Additional living expense" begins with the date the premises are untenable due to covered loss or damage and ends on the date the premises should be repaired or rebuilt with reasonable speed and similar quality.

- 3. "Emergency Evacuation Expense" means the total costs you must incur which result directly from and during an emergency evacuation of residents.

- 4. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents, or by-products produced or released by fungi.

- 5. "Money" means currency and coins used as legal tender, bank notes in current use and having a face value, travelers checks, registered checks, and money orders.

- 6. "Operations" means your business activities occurring at the described premises and the tenantability of the described premises, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

- 7. a. "Period of Restoration" means the period of time that:

- (1) Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and

- (2) Ends on the date when the property at the described premises should be repaired, rebuilt, or replaced with reasonable speed and similar quality.

- b. "Period of Restoration" does not include any increased period required due to the enforcement of any law that:

- (1) Regulates the construction, use, or repair or requires the tearing down of any property; or

- (2) Requires any insured or others, to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

8. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

9. "Related private structures" means any structure located on the same premises as the described dwelling and which pertains to the occupancy of the dwelling.

10. "Securities" means documents representing money or property, revenue stamps, other currently used stamps, tokens, and tickets, but not money.

11. "Suspension" means:

- a. The slowdown or cessation of your business activities; or
- b. That a part or all of the described premises is rendered untenable, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations Page. The words "we," "us," and "our" refer to Church Mutual Insurance Company.

Other words and phrases that appear in quotation marks have special meaning. **Refer to Paragraph J - DEFINITIONS.**

A. COVERAGE

1. Coverage is provided as described below for one or more of the following options for which a Limit of Insurance is shown in the Declarations:

- (i) Business Income including "Rental Value."
- (ii) Business Income other than "Rental Value."
- (iii) "Rental Value."

If option (i) above is selected, the term Business Income will include "Rental Value." If option (iii) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration." The "suspension" must be caused by direct physical loss of or damage to property, at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- a. The portion of the building which you rent, lease, or occupy; and

- b. Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

2. Business Income.

Business Income means the:

- a. Net income (net profit or loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

B. COVERED CAUSES OF LOSS

See applicable Causes of Loss Form as shown in the Declarations Page.

C. EXCLUSIONS AND LIMITATIONS

See applicable Causes of Loss Form as shown in the Declarations Page.

D. LIMITS OF INSURANCE

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations Page.

E. COVERAGE EXTENSION

The following Extension is additional insurance. The Coinsurance Condition does not apply to this Extension.

1. Newly Acquired Locations.

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire in the United States of America, Puerto Rico, or Canada.

- b. The most we will pay under this Extension for the sum of Business Income loss and Extra Expense incurred is up to \$100,000 at each location.

- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

- (1) This policy expires;
- (2) 30 days expire after you acquire or begin to construct the property; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

F. ADDITIONAL COVERAGE

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance.

1. Extra Expense.

- a. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

- b. We will pay any Extra Expense to avoid or minimize the "suspension" of business and to continue "operations":

- (1) At the described premises; or
- (2) At replacement premises or at temporary locations, including:
 - (a) Relocation expenses; and
 - (b) Costs to equip and operate the replacement or temporary locations.

- c. We will pay any Extra Expense to minimize the "suspension" of business if you cannot continue "operations."

- d. We will pay any Extra Expense to:

- (1) Repair or replace any property; or

- (2) Research, replace, or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

2. Civil Authority.

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss. The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for Extra Expense will begin immediately after the time of that action and will end:

- a. Three consecutive weeks after the time of that action; or
- b. When your Business Income coverage ends;

whichever is later.

3. Alterations and New Buildings.

- a. We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; or
- (3) Machinery, equipment, supplies, or building materials located on or within 100 feet of the described premises; and

- (a) Used in the construction, alterations, or additions; or

- (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations," the "period of restoration" for Business Income coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

4. Extended Business Income.

- a. Business Income other than "Rental Value."

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (1) Begins on the date property is actually repaired, rebuilt, or replaced and "operations" are resumed; and

- (2) Ends on the earlier of:

- (a) The date you could restore your "operations," with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or

- (b) 30 consecutive days after the date determined in (1) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

- b. "Rental Value."

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (1) Begins on the date property is actually repaired, rebuilt, or replaced and tenantability is restored; and

- (2) Ends on the earlier of:

- (a) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or

- (b) 30 consecutive days after the date determined in (2) (a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

G. LOSS CONDITIONS

The following Loss Conditions replace the Loss Conditions of the Property Conditions Form but only for the insurance provided by this Coverage Form.

1. Appraisal.

If we and you disagree on the amount of net income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

2. Duties in the Event of Loss of Business Income.

a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when, and where the direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property at the described premises from further damage and keep a record of your expenses necessary to protect the covered property for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing, and analysis, and permit us to make copies from your books and records.

- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (7) Cooperate with us in the investigation or settlement of the claim.
- (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Limitation - Electronic Media and Records.

We will not pay for any loss of Business Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- a. 60 consecutive days from the date of direct physical loss or damage; or
- b. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild, or replace, with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

- (1) Electronic data processing, recording, or storage media such as films, tapes, discs, drums, or cells;
- (2) Data stored on such media; or
- (3) Programming records used for electronic data processing or electronically controlled equipment.

This limitation does not apply to Extra Expense.

Example No. 1:

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer and until October 1 to restore the data that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1 - September 1. Loss during the period September 2 - October 1 is not covered.

Example No. 2:

A Covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the

Business Income loss sustained during the period August 1 - September 29 (60 consecutive days). Loss during the period September 30 - October 15 is not covered.

4. Loss Determination.

a. The amount of Business Income loss will be determined based on:

(1) The Net Income of the business before the direct physical loss or damage occurred;

(2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses.

(3) The operating expenses, including payroll expenses necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and

(4) Other relevant sources of information, including:

(a) Your financial records and accounting procedures;

(b) Bills, invoices, and other vouchers; and

(c) Deeds, liens, or contracts.

b. The amount of Extra Expense will be determined based on:

(1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:

(a) The salvage value that remains of any property bought for temporary use during the "period of restoration" once "operations" are resumed; and

(b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions, and provisions as this insurance; and

(2) All necessary expenses that reduce the Business Income that otherwise would have been incurred.

c. Resumption of Operations.

We will reduce the amount of your:

(1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations" in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

(2) Extra expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

d. If you do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

5. Loss Payment.

We will pay for covered loss within 30 days after we receive the proof statement of loss if you have complied with all of the terms of this Coverage Part and:

a. We have reached agreement with you on the amount of loss; or

b. An appraisal award has been made.

H. ADDITIONAL CONDITION

If a Coinsurance percentage is shown in the Declarations Page as applicable to this Coverage Form, the following Coinsurance condition replaces the Coinsurance condition of the Property Conditions Form, but only for the insurance provided by this Coverage Form.

Coinsurance -

1. We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

- a. The Coinsurance percentage shown for Business Income in the Declarations Page; multiplied by
- b. The sum of:
 - (1) The Net Income (net profit or loss before income taxes), and
 - (2) Operating expenses, including payroll expenses,

that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception or last previous anniversary date of this policy (whichever is later).

2. Instead, we will determine the most we will pay using the following steps:

- a. Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date of this policy by the coinsurance percentage;
- b. Divide the Limit of Insurance for the described premises by the figure determined in Step a.; and
- c. Multiply the total amount of loss by the figure determined in Step b.

We will pay the amount determined in Step c. or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

3. In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses shall be deducted from the total of all operating expenses, if they are applicable for your operation:

- a. Prepaid freight - outgoing;
- b. Returns and allowances;
- c. Discounts;
- d. Bad debts;
- e. Collection expenses;
- f. Cost of raw stock and factory supplies consumed (including transportation charges);

- g. Cost of merchandise sold (including transportation charges);
- h. Cost of other supplies consumed (including transportation charges);
- i. Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract; and
- j. All ordinary payroll expenses or the amount of payroll expense excluded (if Form A 146 is attached).

Example No. 1 (Underinsurance):

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been \$400,000

The Coinsurance percentage is	50%
The Limit of Insurance is	\$150,000
The amount of loss is	\$80,000

Step 1: $\$400,000 \times 50\% = \$200,000$.
(the minimum amount of insurance to meet your Coinsurance requirements)

Step 2: $\$150,000 \div \$200,000 = .75$.

Step 3: $\$80,000 \times .75 = \$60,000$.

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

Example No. 2 (Adequate Insurance):

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been \$400,000

The Coinsurance percentage is	50%
The Limit of Insurance is	\$200,000
The amount of loss is	\$80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$400,000 \times 50\%$). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to the Extra Expense Additional Coverage.

If, in this example, the actual amount of loss is:

Days 1-30	\$40,000
Days 31-60	\$20,000
Days 61-90	<u>\$30,000</u>
	\$90,000

I. OPTIONAL COVERAGES

If shown as applicable in the Declarations Page, the following Optional Coverages apply separately to each item.

We will pay:

Days 1-30	\$30,000
Days 31-60	\$20,000
Days 61-90	<u>\$30,000</u>
	\$80,000

The remaining \$10,000 is not covered.

1. Maximum Period of Indemnity.

a. The Coinsurance Condition does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:

(1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or

(2) The Limit of Insurance shown in the Declarations.

2. Monthly Limit of Indemnity.

a. The Coinsurance Condition does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:

(1) The Limit of Insurance, multiplied by

(2) The fraction shown in the Declarations Page for this coverage.

Example:

When: The Limit of Insurance is \$120,000

The fraction shown in the Declarations Page for this Optional Coverage is 1/4

The most we will pay for loss in each period of 30 consecutive days is:

$$\$120,000 \times 1/4 = \$30,000.$$

3. Business Income Agreed Value.

a. To activate this Optional Coverage:

(1) A Business Income report/worksheet must be submitted to us and must show financial data for your "operations."

(a) During the 12 months prior to the date of the worksheet; and

(b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

(2) The Declarations must indicate that the Business Income Agreed Value Operational Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:

(a) The Coinsurance percentage shown in the Declarations Page multiplied by

(b) The amount of Net Income and operating expenses for the following 12 months you report on the worksheet.

b. The Coinsurance Condition is suspended until:

(1) 12 months after the effective date of this Optional Coverage; or

(2) The expiration date of this policy;

whichever occurs first.

c. We will reinstate the Coinsurance Condition automatically if you do not submit a new worksheet and Agreed Value:

(1) Within 12 months of the effective date of this Optional Coverage; or

(2) When you request a change in your Business Income Limit of Insurance.

d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:

(1) The Business Income Limit of Insurance, divided by

(2) The Agreed Value.

Example:

When: The Limit of Insurance is: \$100,000
 The Agreed Value is \$200,000
 The amount of loss is \$80,000

Step (a): $\$100,000 \div \$200,000 = .50$.

Step (b): $.50 \times \$80,000 = \$40,000$.

We will pay \$40,000. The remaining \$40,000 is not covered.

4. Extended Period of Indemnity.

Under Paragraph F., Additional Coverage, Subparagraph 4., Extended Business Income, the Number 30 in Subparagraph a. (2) (b) is replaced by the number shown in the Declarations Page.

J. DEFINITIONS

1. "Operations" means:

a. Your business activities occurring at the described premises; and

b. The tenantability of the described premises, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

2. "Period of Restoration" means the period of time that:

a. Begins:

(1) 72 hours after the time of direct

physical loss or damage for Business Income coverage; or

(2) immediately after the time of direct physical loss or damage for Extra Expense coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the earlier of:

(1) The date when the property at the described premises should be repaired, rebuilt, or replaced with reasonable speed and similar quality; or

(2) The date when business is resumed at a new permanent location.

c. "Period of Restoration" does not include any increased period required due to the enforcement of any law that:

(1) Regulates the construction, use, or repair, or requires the tearingdown of any property; or

(2) Requires any insured or others, to test for, monitor, clean-up, remove, contain, treat, detoxify, neutralize, or in any way respond to, or assess the effects of "pollutants."

The expiration date of this policy will not cut short the "period of restoration".

3. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

4. "Rental Value" means the:

a. Total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, and

b. Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations, and

c. Fair rental value of any portion of the described premises which is occupied by you.

5. "Suspension" means:
- a. The slowdown or cessation of your business activities; or
 - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE EXTENSIONS AND ADDITIONAL COVERAGES - LIMIT OF INSURANCE

This endorsement modifies insurance provided under the Property Coverage Part.

The following change is made to the Building and Personal Property Coverage Form.

A. COVERAGE EXTENSIONS AND ADDITIONAL COVERAGES - LIMIT OF INSURANCE

1. The Limits of Insurance for the Coverage Extensions and Additional Coverages of the Building and Personal Property Coverage Form are replaced by the new applicable Limits of Insurance shown on the schedule in the Declarations Page.

Refer to the Declarations Page to determine the Limit of Insurance and Coverage Extensions or Additional Coverages this endorsement applies to.

CAUSES OF LOSS - SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. **Refer to Paragraph H - Definitions.**

A. COVERED CAUSES OF LOSS

1. When Special is shown in the Declarations Page, Covered Causes of Loss means Risks of Direct Physical Loss unless the loss is:

- a. Excluded in Paragraph B., Exclusions; or
 - b. Limited in Paragraph C., Limitations;
- that follow.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- a. Building Ordinance or Law.

The enforcement of any ordinance or law:

- (1) Regulating the construction, use, or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris;

except as provided in the Additional Coverages.

This exclusion, ordinance or law, applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling, or demolition of property, or removal of its debris, following a physical loss to that property.

- b. Earth Movement.

- (1) Earthquake, including any earth sinking, rising, or shifting related to such event;

- (2) Landslide, including any earth sinking, rising, or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking, or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in b.(1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion, or effusion. But if volcanic eruption, explosion, or effusion results in fire, building glass breakage or volcanic action, we will pay for the loss or damage caused by that fire, building glass breakage or volcanic action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust, or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss or damage to the described property.

c. Governmental Action.

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Part.

d. Nuclear Hazard.

Nuclear reaction or radiation or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Utility Services.

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that covered Cause of Loss.

f. War and Military Action.

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

g. Water.

(1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;

(2) Mudslide or mudflow;

(3) Water which backs up through sewers or drains except as provided under G. Additional Coverage - Back Up Through Sewers and Drains.

(4) Water under the ground surface pressing on or flowing or seeping through:

(a) Foundations, walls, floors, or paved surfaces;

(b) Basements, whether paved or not; or

(c) Doors, windows, or other openings.

But if water, as described in g. (1) through g. (3) above, results in fire, explosion, or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion, or sprinkler leakage.

h. "Fungus," Wet Rot, Dry Rot and Bacteria.

Presence, growth, proliferation, spread or any activity of "fungus," wet or dry rot or bacteria.

But if "fungus," wet or dry rot or bacteria results in a "specified cause of loss," we will pay for the loss or damage caused by that "specified cause of loss."

This exclusion does not apply:

1. When "fungus," wet or dry rot or bacteria results from fire or lightning; or

2. To the extent that coverage is provided in the Additional Coverage - Limited Coverage For "Fungus," Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions B.1.a. through B.1.h. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances, or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use, or loss of market.
- c. Smoke, vapor, or gas from agricultural smudging or industrial operations.
- d. (1) Wear and tear;
- (2) Rust, or other corrosion, decay, deterioration, hidden or latent defect, or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking, or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or domestic animals.
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature.

But if an excluded cause of loss that is listed in 2. d. (1) through (7) results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines, or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines, or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the

explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture, or vapor that occurs over a period of 14 days or more.
- g. Water, other liquids, powder, or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1) You do your best to maintain heat in the building or structure; or
 - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act by you, any of your partners, employees (including leased employees), directors, trustees, authorized representatives, or anyone to whom you entrust the property for any purpose:
 - (1) Acting alone or in collusion with others; or
 - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.

- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device, or false pretense.
- j. Collapse, except as provided below in the Additional Coverage - Collapse. But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.
- k. Discharge, dispersal, seepage, migration, release, or escape of "pollutants" unless the discharge, dispersal, seepage,

migration, release, or escape is itself caused by any of the "specified causes of loss." But if the discharge, dispersal, seepage, migration, release, or escape of "pollutants" results in a "specified cause of loss," we will pay for the loss or damage caused by that "specified cause of loss."

- I. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
 3. We will not pay for loss or damage caused by or resulting from any of the following 3. a. through 3. c. but if an excluded cause of loss that is listed in 3. a. through 3. c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
 - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization, or governmental body.
 - c. Faulty, inadequate, or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation, or remodeling; or
 - (4) Maintenance;
- of part or all of any property on or off the described premises.

C. LIMITATIONS

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited to this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

- a. Steam boilers, steam pipes, steam engines, or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

- c. The interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand, or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand, or dust enters; or
 - (2) The loss or damage is caused by or results from thawing of snow, sleet, or ice on the building or structure.

- d. Building materials and supplies intended for construction, alterations or repairs not attached as part of the building or structure caused by or resulting from theft.

- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

- f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

- g. Fences, swimming pools, and retaining walls caused by:
 - (1) Heaving, bulging, or buckling;
 - (2) Freezing or thawing; or
 - (3) Pressure of weight of ice or water.

2. We will pay for covered loss or damage to personal property that is a work of art, antique or rare article, including etchings, pictures,

POLICY NO.: 0331463-02-104136

statuary, marbles, bronzes, porcelains, and bric-a-brac. But, the most we will pay for loss or damage is up to \$5,000 for any one occurrence.

3. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage.
 - a. Valuable papers and records, such as books of account, manuscripts, abstracts, drawings, and card index systems, including those which exist on film, tape, disc, drum, cell or other data processing, recording, or storage media. Valuable papers and records do not include prepackaged software programs.
 - b. Fragile articles such as glassware, statuary, marbles, chinaware, and porcelains, if broken. This restriction does not apply to photographic or scientific instruments or lenses.
4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder, or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:
 - a. Results in discharge of any substance from an automatic fire protection system; or
 - b. Is directly caused by freezing.

D. ADDITIONAL COVERAGE - COLLAPSE

The term Covered Cause of Loss includes the Additional Coverage - Collapse as described and limited in D. 1. through D. 5. below.

1. With respect to buildings:
 - a. Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose;
 - b. A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse;
 - c. A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building;

- d. A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion.
2. We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if the collapse is caused by one or more of the following:
 - a. The "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
 - b. Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - c. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - d. Weight of people or personal property;
 - e. Weight of rain that collects on a roof;
 - f. Use of defective material or methods in construction, remodeling, or renovation if the collapse occurs during the course of the construction, remodeling, or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in a. through e.; we will pay for the loss or damage even if use of defective material or methods, in construction, remodeling, or renovation, contributes to the collapse.

The criteria set forth in 1.a. through 1.d. do not limit the coverage otherwise provided under this Causes of Loss Form to the causes of loss listed in 2a., 2.d., and 2.e.

3. With respect to the following property:
 - a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts, or towers;
 - b. Awnings, gutters, and downspouts;
 - c. Yard fixtures;

- d. Outdoor swimming pools;
- e. Fences;
- f. Piers, wharves, and docks;
- g. Beach or diving platforms or appurtenances;
- h. Retaining walls; and
- i. Walks, roadways, and other paved surfaces;

if the collapse is caused by a cause of loss listed in b. through f., we will pay for loss or damage to that property only if:

- a. Such loss or damage is a direct result of the collapse of a building insured under this Coverage Form; and
 - b. The property is Covered Property under this Coverage Form.
4. If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse was caused by a Cause of Loss listed in 2.a. through 2.f. above;
 - b. The personal property which collapses is inside a building; and
 - c. The property which collapses is not a kind listed in 3. above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph 4. does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion.

5. This additional coverage, collapse, will not increase the Limits of Insurance provided in this Coverage Part.

E. ADDITIONAL COVERAGE - LIMITED COVERAGE FOR "FUNGUS," WET ROT, DRY ROT AND BACTERIA

1. The coverage described in E.2., E.6., and E.7. only applies when the "fungus," wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

- a. A "specified cause of loss" other than fire or lightning.

2. We will pay for loss or damage by "fungus," wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:

- a. Direct physical loss or damage to Covered Property caused by "fungus," wet or dry rot or bacteria;
- b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus," wet or dry rot or bacteria; and
- c. The cost of testing performed after removal, repair, replacement, or restoration of the damaged property is completed, provided there is a reason to believe that "fungus," wet or dry rot or bacteria are present.

3. The coverage described under E.2. of this Limited Coverage is limited to \$50,000 on an annual aggregate basis. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning). With respect to a particular occurrence of loss which results in "fungus," wet or dry rot or bacteria, we will not pay more than a total of \$50,000 even if the "fungus," wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus," wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus," wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus," wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph F.1. (Additional Coverage Extension - Water Damage) of this Causes of Loss Form or under Paragraph D. Additional Coverage - Collapse.
6. The following, 6.a. or 6.b., applies only if Business Income and/or Extra Expense coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense coverage form.
 - a. If the loss which resulted in "fungus," wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations," but such "suspension" is necessary due to loss or damage to property caused by "fungus," wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days but not to exceed the Limit of Insurance shown in the Declarations Page. The days need not be consecutive.
 - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus," wet or dry rot or bacteria but remediation of "fungus," wet or dry rot or bacteria prolongs the "period of restoration," we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days but not to exceed the Limit of Insurance shown in the Declarations Page. The days need not be consecutive.
7. The following 7.a. or 7.b., applies only if Institutional Income and/or Extra Expense in ADDITIONAL COVERAGES in the Building and Personal Property Coverage Form, applies to the described premises and only if

the interruption of "operations" satisfies all terms and conditions of the applicable Institutional Income and/or Extra Expense Additional Coverage.

- a. If the loss which resulted in "fungus," wet or dry rot or bacteria does not in itself necessitate an interruption of "operations," but such interruption is necessary due to loss or damage to property caused by "fungus," wet or dry rot or bacteria, then our payment under Institutional Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days but not to exceed the Limit of Insurance shown in the Declarations Page. The days need not be consecutive.
- b. If a covered interruption of "operations" was caused by loss or damage other than "fungus," wet or dry rot or bacteria but remediation of "fungus," wet or dry rot or bacteria prolongs the "period of restoration," we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days but not to exceed the Limit of Insurance shown in the Declarations Page. The days need not be consecutive.

F. ADDITIONAL COVERAGE EXTENSION - WATER DAMAGE

1. Water Damage. If covered loss or damage, caused by or resulting from water or other liquid, or powder, or molten material occurs, we will also pay the cost to tear out and replace any part of the building or structure to replace damage to the system or appliance from which the water or other substance escapes.

This Additional Coverage will not increase the Limits of Insurance provided in this Coverage Part.

G. ADDITIONAL COVERAGE - BACK UP THROUGH SEWERS AND DRAINS

Subject to all other terms and conditions of this policy, we will pay for direct physical loss or damage to Covered Property caused by back up of water or sewage through sewers or drains only if caused by an event away from the described buildings and when the damage is not caused by flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all

whether driven by wind or not, and which did not enter the building through foundations, walls, floors, windows, cracks, roofs, or through other openings of the building.

Sewer or water damage occurring as a result of, either before or after, the excluded flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not, and entering the building through foundations, walls, floors, windows, cracks, roofs, or through other openings of the building is not covered.

This ADDITIONAL COVERAGE - BACK UP THROUGH SEWERS OR DRAINS will not increase the Limits of Insurance provided in this Coverage Part.

H. DEFINITIONS

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes,

materials to be recycled, reconditioned, or reclaimed.

3. "Sinkhole collapse" means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This Cause of Loss does not include:
 - a. The cost of filling sinkholes; or
 - b. The sinking or collapse of land into man-made underground cavities.
4. "Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; damage by burglars; sonic boom; sinkhole collapse; volcanic action; falling objects; weight of snow, ice, or sleet; water damage.
5. "Water damage" means accidental discharge or leakage of water or other liquid, powder, or molten material as the direct result of the breaking apart or cracking of any part of a system or appliance containing water or other liquid, powder, or molten material.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**LOSS PAYABLE PROVISIONS**

This endorsement modifies insurance provided under the Property Coverage Part.

The following is added to the Loss Condition of the Property Conditions Form, but only for the property this endorsement applies to.

A. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee shown in the Declarations Page have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee as interests may appear.

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy, or substantial change in risk known to the Loss Payee.

B. LENDER'S LOSS PAYABLE

1. The Loss Payee shown in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:

- a. Warehouse receipts;
- b. A contract for deed;
- c. Bills of lading;
- d. Financing statements; or
- e. Mortgages, deeds of trust, or security agreements.

2. For Covered Property in which both you and a Loss Payee have an insurable interest:

- a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
- b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
- c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

- d. If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:
 - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.

4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

- b. Pay any claim for loss or damage jointly to you and the Loss Payee as interests may appear.

C. CONTRACT OF SALE

1. The Loss Payee shown in the Declarations Page is a person or organization you have entered a contract with for the sale of Covered Property.

3. The following is added to the Other Insurance Property Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

2. For Covered Property in which both you and the Loss Payee have an insurable interest, we will:

Refer to the Declarations Page to determine which property this endorsement applies to.

- a. Adjust losses with you; and

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL PROPERTY NOT COVERED

This endorsement modifies the insurance provided under the Property Coverage Part.

The following is added to the Building and Personal Property Coverage Form, but only for the property this endorsement applies to.

A. ADDITIONAL PROPERTY NOT COVERED

1. The property described in the Declarations Page as subject to this endorsement is added to the Property Not Covered section of the Building and Personal Property Coverage Form.

Refer to the Declarations Page to determine which premises and property this endorsement applies to.

SYSTEMS/EQUIPMENT BREAKDOWN COVERAGE FORM

This endorsement modifies insurance provided under the Property Coverage Part and the Inland Marine Coverage Part.

The following is added to the Causes of Loss - Basic Form, Causes of Loss - Broad Form, and Causes of Loss - Special Form, and Inland Marine Builders' Risk Coverage Form. This coverage is subject to the terms and conditions of this form and the terms and conditions of the policy to which it is attached.

A. ADDITIONAL COVERED CAUSES OF LOSS

1. When the SYSTEMS/EQUIPMENT BREAKDOWN COVERAGE form is shown in the Declarations Page, Covered Causes of Loss include:

- a. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
- b. Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances, or wires;
- c. Explosion of steam boilers, steam pipes, steam engines, steam turbines, owned or leased by you or operated under your control; and
- d. Loss or damage to steam boilers, steam pipes, steam engines, or steam turbines caused by or resulting from any condition or event inside such equipment.
- e. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

2. The coverage provided by this form includes equipment that is owned by you, a utility, or others that is:

- a. Within 500 feet of the premises described in the Declarations Page; or
- b. More than 500 feet from the premises described in the Declarations Page but is used to solely supply these premises.

We will pay for losses or damages covered by this policy that are the direct result of damage to this equipment from a covered cause of loss provided by this form in Section A.1. above.

3. The following Exclusions and Limitations do not apply to the coverage provided by this form:

- a. CAUSES OF LOSS - BASIC FORM, A 125, if applicable, Exclusions B.2.a., B.2.d., and B.2.e.

b. CAUSES OF LOSS - BROAD FORM, A 126, if applicable, Exclusions B.2.a., B.2.b., and B.2.c.

c. CAUSES OF LOSS - SPECIAL FORM, A 127, if applicable, Exclusions B.2.a., B.2.d.(6), and B.2.e., and Limitations C.1.a. and C.1.b.

d. INLAND MARINE BUILDERS' RISK COVERAGE FORM, A 403, if applicable, Exclusions E.2.a., E.2.d.(6), and E.2.e., and Limitations F.1.a. and F.1.b.

B. ADDITIONAL EXCLUSIONS

The following additional exclusions apply to the coverage provided by this form.

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- a. Frost, freezing, or other effects of cold weather;
- b. Ice, snow, sleet, or hail, whether driven by wind or not;
- c. Wind; or
- d. Water or liquid damage, except if a covered cause of loss provided by this form in Section A.1. above results from a flood, we will pay for the resulting loss.

2. We will not pay for any loss or damage caused by or resulting from:

- a. Depletion, deterioration, corrosion, or erosion; or
- b. Wear and tear;

unless a covered cause of loss provided by this form in Section A.1. results. In that event, we will pay for loss or damage to your Covered Property which is the direct result of this covered cause of loss.

3. We will not pay for loss or damage to the following items of property:
- Buildings, structures, or inflatable structures;
 - Retaining walls, bulkheads, piers, wharves, docks, structures located on or partially over water;
 - Pavements, foundations, walls, floors, roofs, ceilings, glass, cabinets, compartments, or similar items;
 - Vehicles, self-propelled equipment, aircraft, or watercraft;
 - Any machine or apparatus used for research, diagnosis, medication, surgical, therapeutic, dental, or pathological purposes;

unless this property is damaged as the direct result of a covered cause of loss provided by this form in Section A.1. to property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission, or utilization of energy.

4. We will not pay for loss or damage to buried vessels, pipes, flues, or drains.

C. ADDITIONAL COVERAGE EXTENSION

The following extensions apply to the coverage provided by this form.

1. Expediting Expenses.

With respect to Covered Property damaged by a covered cause of loss provided by this form in Section A.1., we will pay the reasonable extra cost to make temporary repairs, expedite permanent repairs, and expedite permanent replacement.

2. Hazardous Substances

We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance." This includes the additional expenses to clean up or dispose of such property.

"Hazardous substance" means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.

Additional costs mean those beyond what would

have been required had no "hazardous substance" been involved.

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain, necessary Extra Expense you incur, and loss under Spoilage coverage, is \$100,000.

3. Spoilage.

- Your loss to perishable goods due to spoilage resulting from lack of power light, heat, steam, or refrigeration from a covered cause of loss provided by this form in Section A.1.
- Expense to reduce such loss. This expense is limited to the smaller of amount expended to reduce spoilage loss or the spoilage loss that would result if no expenditure had been made to reduce spoilage loss.

D. ADDITIONAL CONDITIONS

The following conditions apply to the coverage provided by this form:

1. Suspension.

Upon our discovery of a dangerous condition with respect to any item of property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission, or utilization of energy, any of our representatives may immediately suspend the coverage provided by this form for that item of property. This can be done by delivering or mailing a written notice of suspension to you, at your address shown in this policy, or at the location of the property.

Once we have suspended your coverage in this manner, your insurance can be reinstated only by an endorsement.

If we suspend your insurance, you will get a pro rata refund of premium, but the suspension will be effective even if we have not yet made or offered a refund.

2. Jurisdictional Inspections.

If any property that is covered equipment under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**ILLINOIS CHANGES**

This endorsement modifies insurance provided under the Property Coverage Part.

- A. Cancellation** Common Policy Condition is replaced by the following:

CANCELLATION

1. The first Named Insured shown in the Declarations Page may cancel this policy by mailing to us advance written notice of cancellation.
2. If this policy has been in effect for sixty (60) days or less, except as provided in Paragraphs 8. and 9. below, we may cancel this policy by mailing to you written notice of cancellation at least:
 - a. Ten (10) days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. Thirty (30) days before the effective date of cancellation if we cancel for any other reason.
3. If this policy has been in effect for more than sixty (60) days, except as provided in Paragraphs 8. and 9. below, we may cancel this policy only for one or more of the following reasons:
 - a. Nonpayment of premium;
 - b. The policy was obtained through a material misrepresentation;
 - c. You have violated any of the terms and conditions of the policy;
 - d. The risk originally accepted has measurably increased;
 - e. Certification to the Director of Insurance of the loss of reinsurance by the insurer which provided coverage to us for all or a substantial part of the underlying risk insured; or
 - f. A determination by the Director of Insurance that the continuation of the policy could place us in violation of the insurance laws of this State.

If we cancel this policy based on one or more of the above reasons except for nonpayment of premium, we will mail written notice at least sixty (60) days before the effective date of cancellation. When cancellation is for nonpayment of premium, we will mail written notice at least ten (10) days before the effective date of cancellation.

4. We will mail our notice to you, any mortgagee or lienholder known to us and to the agent or broker, at the last addresses known to us.
5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
6. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
7. Our notice of cancellation will state the reason for cancellation.
8. **Real property other than residential properties occupied by four families or less.**

The following applies only if this policy covers real property other than residential property occupied by four families or less:

If any one or more of the following conditions exists at any building that is Covered Property in this policy, we may cancel this policy by mailing to you written notice of cancellation if:

- a. After a fire loss, permanent repairs to the building have not started within sixty (60) days of satisfactory adjustment of loss, unless the delay is due to a labor dispute or weather conditions.
- b. The building has been unoccupied sixty (60) or more consecutive days. This does not apply to:

- (1) Seasonal unoccupancy; or

- (2) Buildings under repair, construction or reconstruction, if properly secured against unauthorized entry.

c. The building has:

- (1) An outstanding order to vacate;
(2) An outstanding demolition order; or
(3) Been declared unsafe in accordance with the law.

- d. Heat, water, sewer service or public lighting have not been connected to the building for thirty (30) consecutive days or more.

The policy will cancel 10 days following receipt of the written notice by the named insured(s).

9. Residential properties occupied by four families or less.

The following applies if this policy covers residential properties occupied by four families or less:

If this policy has been in effect for sixty (60) days or if this is a renewal policy, we may only cancel this policy for one or more of the following reasons:

- a. Nonpayment of premium;
b. The policy was obtained by misrepresentation or fraud; or
c. Any act that measurably increases the risk originally accepted.

B. The following is added:

NONRENEWAL

1. If we decide not to renew or continue this policy, we will mail you, your agent or broker and any mortgagee or lienholder known to us written notice, stating the reason for nonrenewal, at least 60 days before the end of the policy period. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If we fail to mail proper written notice of nonrenewal and you obtain other insurance,

this policy will end on the effective date of that insurance.

2. The following provision applies only if this policy covers residential properties occupied by four families or less:

If this policy has been issued to you and in effect with us for five or more years, we may not fail to renew this policy unless:

- a. The policy was obtained by misrepresentation or fraud;
b. The risk originally accepted has measurably increased; or
c. You receive sixty (60) days notice of our intent not to renew as provided in 1. above.

C. The following is added:

MAILING OF NOTICES

We will mail cancellation and nonrenewal notices to the last addresses known to us. Proof of mailing will be sufficient proof of notice.

D. The following is added to the Legal Action Against Us Condition:

The two year period for legal action against us is extended by the number of days between the date the proof of loss is filed with us and the date we deny the claim in whole or in part.

E. If this policy covers:

1. The following in a. and b., then Paragraphs 2. and 3. apply:

- a. Real property used principally for residential purposes up to and including a four family dwelling; or
b. Household or personal property that is usual or incidental to the occupancy of any premises used for residential purposes.

2. The second paragraph of the **Appraisal Condition** is deleted and replaced by the following:

- a. Each party will pay its own appraiser and bear the other expenses of the appraisal and umpire equally, except as provided in
b. below.

POLICY NO.: 0331463-02-104136

- b. We will pay your appraiser's fee and the umpire's appraisal fee, if the following conditions exist:

- (1) You demanded the appraisal; and
- (2) The full amount of loss, as set by your appraiser, is agreed to by our appraiser or by the umpire.

3. The **Concealment, Misrepresentation or Fraud** Condition is replaced by the following:

CONCEALMENT, MISREPRESENTATION OR FRAUD

- a. This Coverage Part or Coverage Form is void if you or any insured commit fraud or conceal or misrepresent a fact in the process leading to the issuance of this insurance, and such fraud, concealment, or misrepresentation is stated in the policy or endorsement or in the written application of this policy and:

- (1) Was made with actual intent to deceive; or
- (2) Materially affected either our decision to provide this insurance or the hazard we assumed.

However, this condition will not serve as a reason to void this Coverage Part or Coverage Form after the Coverage Part or Coverage Form has been in effect for one year or one policy term, whichever is less.

- b. This Coverage Part or Coverage Form is void if you or any other insured, at any time subsequent to the issuance of this insurance, commit fraud or intentionally conceal or misrepresent a material fact relating to:

- (1) This Coverage Part or Coverage Form;
- (2) The Covered Property;

- (3) Your interest in the Covered Property; or

- (4) A claim under this Coverage Part or Coverage Form.

- c. Notwithstanding the limitations stated in **3.a.** above, we may cancel the Coverage Part or Coverage Form in accordance with the terms of the Cancellation Condition.

- F. For the Property Coverage Part, the following exclusion and related provisions are added to Paragraph **B.2.** Exclusions in the Causes of Loss Forms and to any Coverage Form or policy to which a Causes of Loss Form is not attached:

1. We will not pay for loss or damage arising out of any act an insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no insured is entitled to coverage, even insureds who did not commit or conspire to commit the act causing the loss.

2. However, this exclusion will not apply to deny payment to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if:

- a. The loss arose out of a pattern of criminal domestic violence; and
- b. The perpetrator of the loss is criminally prosecuted for the act causing the loss.

3. If we pay a claim pursuant to Paragraph **F.2.**, our payment to the insured is limited to that insured's insurable interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

THIS ENDORSEMENT IS ADDED TO THE POLICY. PLEASE READ IT CAREFULLY.**NUCLEAR ENERGY LIABILITY EXCLUSION - BROAD FORM**

The following is added to this policy.

A. EXCLUSION

1. This insurance does not apply:

a. Under any liability coverage to "bodily injury" or "property damage":

(1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

b. Under any medical payments coverage to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

c. Under any liability coverage to "bodily injury" or "property damage" resulting from the "hazardous properties" of "nuclear material" if:

(1) The "nuclear material" (a) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (b) has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

(3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such nuclear facility and any property thereat.

2. As used in this endorsement:

"Hazardous properties" include radioactive, toxic or explosive properties;

"Nuclear material" means "source material", "special nuclear material" or "by-product material";

"Source material", "special nuclear material" and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor

"Waste" means any waste material (a) containing by-products material other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily from its "source material" contents, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

a. Any nuclear reactor;

- b. Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel; or (3) handling, processing or packaging waste;
- c. Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- d. Any structure, basin, excavation, premises

or place prepared or used for the storage or disposal of waste;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"Property damage" includes all forms of radioactive contamination of property.

GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and is not covered.

Throughout this Policy, the words "you" and "your" refer to the Named insured shown in the Declarations Page. The words "we," "us," and "our" refer to Church Mutual Insurance Company.

The word "insured" means any person or organization qualifying as an insured. **Refer to Paragraph E - Who Is An Insured.**

Other words and phrases that appear in quotation marks have special meaning. **Refer to Paragraph H - Definitions.**

A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY COVERAGE

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited. **Refer to Paragraph F - Limits of Insurance;** and
- (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under Personal and Advertising Injury Liability Coverage, Bodily Injury and Property Damage Liability Coverage or under Medical Expense Coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and

- (2) The "bodily injury" or "property damage" occurs during the policy period.

- c. Damages because of "bodily injury" include damages by any person or organization for care, loss of services, or death resulting at any time from the "bodily injury."

2. Exclusions.

This insurance does not apply to:

- a. "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This Exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.
- b. "Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This Exclusion does not apply to liability for damages:
 - (1) That the insured would have in the absence of the contract or agreement.
 - (2) Assumed in a contract or agreement that is an "insured contract," provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract," reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage" provided:

- (a) liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.
- c. "Bodily injury" or "property damage" for which any insured may be held liable by reason of:
- (1) Causing or contributing to the intoxication of any person;
 - (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
 - (3) Any statute, ordinance, or regulation relating to the sale, gift, distribution, or use of alcoholic beverages.

This Exclusion applies only if you are in the business of manufacturing, distributing, selling, serving, or furnishing alcoholic beverages.

- d. Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.
- e. "Bodily injury" to:
- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
 - (2) The spouse, child, parent, brother, or sister of that "employee" as a consequence of paragraph (1) above.

This Exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and

- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This Exclusion does not apply to liability assumed by the insured under an "insured contract."

- f. "Bodily injury" or "property damage" that arises out of any:
- (1) Refusal to employ;
 - (2) Termination of employment;
 - (3) Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination, sexual misconduct, or other employment-related practices, policies, acts, or omissions; or
 - (4) Consequential "bodily injury" as a result of f.(1), f.(2), or f.(3) above.

This exclusion applies whether the insured is liable either as an employer or in any other capacity; or there is an obligation to fully or partially reimburse a third party for damages arising out of paragraph f.(1), f.(2), f.(3), or f.(4) above.

- g. (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, or escape of pollutants:
- (a) At or from any premises, site, or location which is or was at any time owned or occupied by, or rented or loaned to, any insured;
 - (b) At or from any premises, site, or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing, or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
 - (d) At or from any premises, site or location on which any insured or

any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:

- 1) If the pollutants are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or
- 2) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of pollutants.

Subparagraph (d) 1) does not apply to "bodily injury" or "property damage" arising out of the escape of fuels, lubricants, or other operating fluids which are needed to perform the normal electrical, hydraulic, or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants, or other operating fluids escape from a vehicle part designed to hold, store, or receive them. This exception does not apply if the fuels, lubricants, or other operating fluids are intentionally discharged, dispersed or released, or if such fuels, lubricants, or other operating fluids are brought on or to the premises, site, or location with the intent to be discharged, dispersed, or released as part of the operations being performed by such insured, contractor, or subcontractor.

Subparagraphs (a) and (d) 1) do not apply to "bodily injury" or "property damage" arising out of heat, smoke, or fumes from a hostile fire.

As used in this Exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- (2) Any loss, cost, or expense arising out of any:
 - (a) Request, demand, or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond

to, or assess the effects of pollutants; or

- (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

- h. "Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto," or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading."

This Exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge.
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance, or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment." **(Refer to Paragraph H - Definitions)**

- i. "Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

- j. "Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion, or revolution. This Exclusion applies only to liability assumed under a contract or agreement.

- k. "Property damage" to:

- (1) Property you own, rent, or occupy;
- (2) Premises you sell, give away, or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody, or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired, or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this Exclusion does not apply if the premises are "your work" and were never occupied, rented, or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this Exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this Exclusion does not apply to "property damage" included in the "products-completed operations hazard."

- l. "Property damage" to "your product" arising out of it or any part of it.
- m. "Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard."

This Exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

- n. "Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy, or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This Exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

- o. Damages claimed for any loss, cost, or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal, or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy, or dangerous condition in it.

- p. "Bodily injury" or "property damage" arising out of any actual or alleged act of "sexual misconduct or sexual molestation." This includes, but is not limited to any claim or suit seeking

damages based upon, arising out of, or attributable to vicarious liability; negligence in hiring, employment, supervision, retention, or transfer of any employee or volunteer workers; recommendation or referral of any person for employment or volunteer work; failure to protect or negligent supervision of any person (whether an adult or child) failure to warn, failure to investigate, or failure to comply with any obligation to report; and counseling.

- q. "Bodily injury" or "property damage" arising out of any "counseling incident."
- r. "Bodily injury" or "property damage" arising out of the willful violation of a penal statute or ordinance committed by or with the knowledge or consent of any insured.

Exclusions c. through o. do not apply to damage to premises rented to you or premises you occupy that you do not own. A separate Limit of Insurance applies to this coverage. **Refer to Paragraph F - Limits of Insurance.**

B. PERSONAL AND ADVERTISING INJURY LIABILITY COVERAGE

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal injury" or "advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal injury" or "advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited. **Refer to Paragraph F - Limits of Insurance;** and
- (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under Personal and Advertising Injury Liability Coverage, Bodily Injury and Property Damage Liability Coverage or under Medical Expense Coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

b. This insurance applies to:

- (1) "Personal injury" only if caused by an offense arising out of the conduct of your business, excluding advertising, publishing, broadcasting, or telecasting done by or for you except publishing, broadcasting, or telecasting that is incidental to your business;
- (2) "Advertising injury" only if caused by an offense committed in the course of advertising your goods, products, or services;

but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions.

This insurance does not apply to:

a. "Personal injury" or "advertising injury":

- (1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured;
- (4) For which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This Exclusion does not apply to liability for damages:
 - (a) Assumed in a contract or agreement that is an "insured contract" provided the "personal injury" or "advertising injury" occurs subsequent to the execution of the contract or agreement; or

(b) That the insured would have in the absence of the contract or agreement.

(5) Arising out of any actual or alleged act of "sexual misconduct or sexual molestation." This includes, but is not limited to any claim or suit seeking damages based upon, arising out of, or attributable to vicarious liability; negligence in hiring, employment, supervision, retention, or transfer of any employee or volunteer workers; recommendation or referral of any person for employment or volunteer work; failure to protect or negligent supervision of any person (whether an adult or child) failure to warn, failure to investigate, or failure to comply with any obligation to report; and counseling.

(6) Arising out of any "counseling incident."

b. (1) "Personal injury" or "advertising injury" which would not have occurred in whole or part but for the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of pollutants at any time.

(2) Any loss, cost, or expense arising out of any:

(a) Request, demand, or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of pollutants; or

(b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acid, alkalis,

chemicals, and waste. Waste includes material to be recycled, reconditioned, or reclaimed.

c. "Personal injury" to:

(1) An employee of the insured if it occurs in the course of employment by the insured; or

(2) Consequential injury to a spouse, child, parent, brother, or sister of such injured employee.

This exclusion applies where the insured is liable either as an employer or in any other capacity; or there is an obligation to fully or partially reimburse a third party for damages arising out of paragraph c.(1) or c.(2) above.

This exclusion does not apply to liability assumed by the insured under a contract covered under Contractual Liability Coverage.

d. "Personal injury" if benefits are provided or are required to be provided by the insured under a workers' compensation, disability benefits, occupational disease, unemployment compensation, or like law.

e. "Personal injury" that arises out of any:

(1) Refusal to employ;

(2) Termination of employment;

(3) Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination, sexual misconduct, or other employment-related practices, policies, acts, or omissions; or

(4) Consequential "personal injury" as a result of e.(1), e.(2), or e.(3) above.

This exclusion applies where the insured is liable either as an employer or in any other capacity; or there is an obligation to fully or partially reimburse a third party for damages arising out of paragraph e.(1), e.(2), e.(3), or e.(4) above.

f. "Advertising injury" arising out of:

- (1) Breach of contract, other than misappropriation of advertising ideas under an implied contract;
- (2) The failure of goods, products or services to conform with advertised quality or performance;
- (3) The wrong description of the price of goods, products, or services; or
- (4) An offense committed by an insured whose business is advertising, broadcasting, publishing, or telecasting.

C. MEDICAL EXPENSE COVERAGE

See the applicable General Liability Additional Provisions Form.

D. SUPPLEMENTARY PAYMENTS

See the applicable General Liability Additional Provisions Form.

E. WHO IS AN INSURED

See the applicable General Liability Additional Provisions Form.

F. LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations Page and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits."
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Medical Expense Coverage for "bodily injury"; and
 - b. Damages under Bodily Injury and Property Damage Liability Coverage and Personal and Advertising Injury Liability Coverage, except:

(1) Damages because of injury and damage included in the "products-completed operations hazard"; and

(2) Damages under Sexual Misconduct or Sexual Molestation Liability Coverage.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Bodily Injury and Property Damage Liability Coverage for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard."

4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Personal and Advertising Injury Liability Coverage for the sum of all damages because of all "personal injury" and all "advertising injury" sustained by any one person or organization.

5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

- a. Damages under Bodily Injury and Property Damage Liability Coverage; and
- b. Medical expenses under Medical Expense Coverage because of all "bodily injury" and "property damage" arising out of any one "occurrence."

6. Subject to 5. above, the Property Damage Legal Liability Limit is the most we will pay under Property Damage Coverage for damages because of "property damage" to premises rented to you, or temporarily occupied by you with permission of the owner, arising out of any one occurrence.

7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Medical Expense Coverage for all medical expenses because of "bodily injury" sustained by any one person.

The Aggregate Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations Page, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional

period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

G. GENERAL LIABILITY CONDITIONS

1. Bankruptcy.

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties in the event of Occurrence, Offense, Claim, or Suit.

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when, and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses, or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us.

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial, but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance.

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance.

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance.

- (1) This insurance is excess over any of the other insurance, whether primary, excess, contingent, or on any other basis:

(a) That is Fire, Extended Coverage, Builders' Risk, Installation Risk,

or similar coverage for "your work";

(b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner; or

(c) If loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. under Bodily Injury and Property Damage Liability Coverage.

(2) This insurance is excess over any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.

(3) When this insurance is excess, we will have no duty under this Coverage Part to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit." If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations Page of this Coverage Part.

c. Method of Sharing.

If all the other insurance permits contribution by equal shares, we will follow

this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable Limit of Insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable Limit of Insurance to the total applicable Limits of Insurance of all insurers.

5. Premium Audit.

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium for this Coverage is a deposit premium only. At the close of each audit period, we may compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the deposit and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request.

6. Representations.

By accepting the policy, you agree:

a. The statements in the Declarations Page are accurate and complete;

b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representation.

7. Separation of Insureds.

Except with respect to the Limits of Insurance and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer of Rights of Recovery Against Others to Us.

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. Two or More Coverages.

If two or more coverages of this policy apply to the same loss, the maximum amount we will pay as damages under all the coverages will not exceed the highest Limit of Insurance that applies to any one of the coverages.

10. Two or More Policies.

If two or more policies issued by us apply to the same insured and these policies also apply to the same loss, the maximum amount we will pay as damages under all the policies will not exceed the highest applicable Limit of Insurance that applies to any one of the policies.

This does not apply to any policy issued by us that is specifically written as excess insurance.

11. When We Do Not Renew.

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations Page written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

H. DEFINITIONS

1. "Advertising injury" means injury arising out of one or more of the following offenses:

- a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products, or services;
- b. Oral or written publication of material that violates a person's right of privacy;

- c. Misappropriation of advertising ideas or style of doing business; or

- d. Infringement of copyright, title, or slogan.

2. "Auto" means a land motor vehicle, trailer, or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment."

3. "Bodily injury" means bodily injury, sickness, or disease sustained by a person, including death resulting from any of these at any time. "Bodily injury" does not include mental or emotional injury, suffering, or distress that does not result from physical injury.

4. "Counseling incident" means any act or omission in the furnishing of counseling services.

5. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico, and Canada;

- b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or

- c. All parts of the world if:

- (1) The injury or damage arises out of:

- (a) Goods or products made or sold by you in the territory described in a. above; or

- (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and

- (2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

6. "Employee" includes a "leased worker." "Employee" does not include a "temporary worker."

7. "Executive officer" means a person holding any of the officer positions created by your

POLICY NO.: 0331463-02-104136

charter, constitution, bylaws, or any other similar governing document.

8. "Impaired property" means tangible property, other than "your product" or "your work" that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate, or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
9. "Insured contract" means:
- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement; or
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.
- (3) Under which the insured, if an architect, engineer, or surveyor, assumes liability for any injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural, or engineering activities.

An "insured contract" does not include that part of any contract or agreement that indemnifies any person or organization for; or under which an insured assumes the liability of any person or organization for "bodily injury," "property damage," "personal injury," "advertising injury" or injury for "sexual misconduct or sexual molestation"; arising out of a "Professional Health Care Incident."

a. "Professional Health Care Incident" means:

- (1) Any act or omission:
 - (a) In the furnishing of "Professional Health Care Services." This includes furnishing of food, beverages, medications, or appliances in connection with such services;

- (b) In the handling of deceased human bodies;
 - (c) Arising out of service by any persons as members of a formal accreditation, standards review or similar board of the Named Insured or as a person who executes the duties of such board.
- (2) Failure to comply with any right of a health care facility resident under any state law regulating you as a resident health care facility;
- (3) Failure to comply with any right of a resident as included in the United States Department of Health, Education, and Welfare regulation governing intermediate care facilities and skilled nursing facilities regardless of whether you are subject to such regulations; and
- (4) Failure to protect any resident from undue influence by an insured when such undue influence is to the personal or financial detriment of the resident.
- b. "Professional Health Care Services" as used in this exclusion endorsement means your professional medical, nursing, cosmetic, social, and similar professional services that relate to the care of any resident.
10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker."
11. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft, or "auto";
 - b. While it is in or on an aircraft, watercraft, or "auto"; or
 - c. While it is being moved from an aircraft, watercraft, or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the
- movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft, or "auto."
12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment.
- a. Bulldozers, farm machinery, forklifts, and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers, or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers, or rollers.
 - e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers.
 - f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.
- However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos."
- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or

- (c) Street cleaning.
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment.
13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "Personal injury" means injury, other than "bodily injury" arising out of one or more of the following offenses:
- a. False arrest, detention, or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies.
 - d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products, or services; or
 - e. Oral or written publication of material that violates a person's right of privacy.
15. "Products-completed operations hazard":
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- b. Does not include "bodily injury" or "property damage" arising out of:
- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) Products or operations for which the classification, listed in the Declarations states that products completed operations are subject to the General Aggregate Limit.
16. "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
17. "Sexual misconduct or sexual molestation" is any activity by anyone (whether an adult or child) which is sexual in nature whether permitted or unpermitted, including but not limited to, sexual assault, sexual battery, sexual relations, sexual acts, sexual activity, sexual handling, sexual massage, sexual exploitation, sexual exhibition, photographic,

video or other reproduction of sexual activity, sexual stimulation, fondling, intimacy, exposure of sexual organs, lewd, or lascivious behavior or indecent exposure, fornication, undue familiarity, or unauthorized touching.

18. "Suit" means a civil proceeding in which damages because of "bodily injury," "property damage," "personal injury," "advertising injury," and injury for sexual misconduct or sexual molestation to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Your product" means:

- a. Any goods or products, other than real property, manufactured, sold, handled, distributed, or disposed of by:

(1) You;

(2) Others trading under your name; or

- (3) A person or organization whose business or assets you have acquired; and

- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance, or use of "your product"; and
- b. The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

21. "Your work" means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts, or equipment furnished in connection with such work or operations.

"Your work" includes warranties or representations made at any time with respect to the fitness, quality, durability, or performance of any of the items included in a. or b. above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**AMENDATORY ENDORSEMENT - PERSONAL INJURY**

This endorsement modifies the insurance provided by the General Liability Coverage Form.

The following is added to the General Liability Coverage Form.

Paragraph H.14., DEFINITIONS, is deleted and replaced with the following:

14. "Personal injury" means injury, other than "bodily injury" arising out of one or more of the following offenses:

- a. False arrest, detention, or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies, unless such offense is alleged against an insured by an "Affiliated Entity."
- d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products, or services, unless such offense is alleged against an insured by an "Affiliated Entity"; or
- e. Oral or written publication of material that violates a person's right of privacy.

The following is added to Paragraph H., DEFINITIONS:

"Affiliated Entity" means any entity or organization with which the Named Insured is affiliated or associated, or which the Named Insured governs or is governed by, owns or is owned by, or controls or is controlled by, including, but not limited to, any and all corporations, associations, partnerships, joint ventures, foundations, churches, congregations, trusts, educational institutions, day care facilities, group home facilities, denominations, dioceses, conventions, districts, synods, councils, and any other similar entity or organization. "Affiliated Entity" includes all "Directors, Officers and Trustees," employees, members, or volunteers of such entity or organization, or of the Named Insured.

"Directors, Officers and Trustees" means any of your past, present, or future directors, officers, trustees, clergy, wardens, deacons, elders, or members of duly elected, appointed, or constituted governing bodies while acting within the scope of their duties as such; and, in the event of death, incapacity, or bankruptcy, the estate, heirs, legal representatives, or assigns of the individual, but only with respect to their duties as such.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BODILY INJURY DEFINITION

This endorsement modifies insurance provided under:

General Liability Coverage Form

General Liability Coverage Form Claims -Made Coverage

- A. The definition of "Bodily injury" in the **DEFINITIONS** section is replaced by the following:

"Bodily injury" means bodily injury, sickness, or disease sustained by a person, including death resulting from any of these at any time.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - ASBESTOS

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE FORM
GENERAL LIABILITY COVERAGE FORM CLAIMS -MADE COVERAGE

The following exclusion is added to Paragraph 2.
Exclusions of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY COVERAGE and Paragraph 2.
Exclusions of COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY COVERAGE:

(2) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing or in any way responding to asbestos, asbestos products, asbestos fibers, or asbestos dust.

This insurance does not apply to:

- a. "Bodily injury", "property damage", "personal injury", and "advertising injury" arising out of any actual, alleged, or threatened presence, discharge, dispersal, seepage, migration, release, or escape of, or exposure to asbestos, including, but not limited to, any asbestos contained in any material, products, dust, or debris; or
- b. Any loss, cost, or expense arising out of any:
 - (1) Request, demand, order, or statutory or regulatory requirement that any insured or any others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or take any other action regarding asbestos, asbestos products, asbestos fibers, or asbestos dust; or

The coverage afforded by this policy does not apply to any injuries or damages or any obligation to defend any "suit" or claim against the insured or payment for the investigation or defense of any loss, indemnification, injury, or damage or any cost, fine, or penalty or for any expense, claim, or "suit" related to any of the above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CORPORATE ENTITY ENDORSEMENT

This endorsement modifies insurance provided under the General Liability Coverage Part.

If the first Named Insured under this policy operates as a specific unit that is part of a corporate entity, then the insurance provided by this policy applies only to the premises and operations of the first Named Insured.

This insurance does not apply to the corporate entity or to any other premises or operations of any other unit of the corporate entity unless such unit or entity is specifically named as an additional insured under this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MEDICAL EXPENSE AMENDMENT

This endorsement modifies insurance provided under the General Liability Coverage Part.

The following change is made to the General Liability Additional Provisions Form.

A. MEDICAL EXPENSE COVERAGE

1. Paragraph A.1.a.(3)(b) of the Medical Expense Coverage Insuring Agreement is deleted and replaced by the following:
 - a. The expenses are incurred and reported to us within three years of the date of the accident; and

GENERAL LIABILITY ADDITIONAL PROVISIONS AND EXCLUSIONS FORM

For Premises and Operations of Senior Living Facilities, Apartments and Related Properties

The following Additional Provisions apply to your premises and operations.

A. MEDICAL EXPENSE COVERAGE

1. Insuring Agreement.

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or
- (3) Because of your operations (including your operations off premises);

provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. Subject to a. above, we will pay medical expenses for "bodily injury" to any person while practicing for or participating in any athletic activity including physical training, sports and sports contests or exhibitions. But our payment will be excess of the amount due from any other insurance. We will not pay the amount due from that other insurance.

- c. We will make these payments regardless of fault. These payments will not exceed the applicable Limit of Insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, X ray, and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Medical Expense Transfer of Rights to Recover From Others.

If any person for whom we make payment under Medical Expense Coverage has rights to recover from other responsible parties all or part of that payment, those rights are transferred to us. At our request, any person for whom we make payment must assist us in our efforts to recover payment.

3. Exclusions.

We will not pay expenses for "bodily injury":

- a. To a person hired to do work for or on behalf of any insured or tenant of any insured.

This exclusion does not apply to "bodily injury" to a person while doing volunteer work for you.

- b. To a person injured on that part of premises you own or rent and on ways next to premises you own or rent that the person normally occupies.

- c. To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or similar law.

- d. Included within the "products completed operations hazard."

- e. Excluded under the liability coverages of Paragraphs A and B of the General Liability Coverage Form.
- f. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion, or revolution.
- g. To any resident of any of the premises or facilities described in the Declarations Page.
- h. This insurance does not apply to medical expense for services by you or your "employees" or any person or organization under contract to you to provide these medical services.

B. SUPPLEMENTARY PAYMENTS BODILY INJURY AND PROPERTY DAMAGE LIABILITY COVERAGE AND PERSONAL AND ADVERTISING INJURY LIABILITY COVERAGES

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - a. All expenses we incur.
 - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$250 a day because of time off from work.
 - e. All costs taxed against the insured in the "suit." For the purpose of this provision, costs do not include prejudgment interest or post judgment interest.

- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.

These payments will not reduce the Limits of Insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit," we will defend that indemnitee if all the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - f. The indemnitee:
 - (1) agrees in writing to:

- (a) cooperate with us in the investigation, settlement, or defense of the "suit";
 - (b) immediately send us copies of any demands, notices, summonses, or legal papers received in connection with the "suit";
 - (c) notify any other insurer whose coverage is available to the indemnitee; and
 - (d) cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
- (2) provides us with written authorization to:
- (a) obtain records and other information related to the "suit"; and
 - (b) conduct and control the defense of the indemnitee in such "suit."

So long as the above conditions are met, attorneys fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2. b. (2) of Coverage A **BODILY INJURY AND PROPERTY DAMAGE LIABILITY COVERAGE**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable Limit of Insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

- 3. We will pay for loss to property of others, not to exceed \$500 in any one occurrence, caused by persons participating in an activity organized by you. Loss shall mean damage or destruction, but does not include disappearance, theft, or loss of use. This insurance does not apply:

- a. If coverage is otherwise provided by the Property Coverage Part (if any) of this policy; or
- b. If the loss is covered by any other insurance you have or by any insurance of such person who causes such loss.

These payments will not reduce the Limits of Insurance.

C. WHO IS AN INSURED

- 1. If you are designated in the Declarations Page as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture, or limited liability company:
 - (1) You are an insured.
 - (2) Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors.
 - (3) Your stockholders are also insureds, but only with respect to their liability as stockholders.

2. Each of the following is also an insured:

- a. Your facility manager or administrator are insureds but only with respect to their duties as such. However, no facility manager or administrator is an insured for "bodily injury" to you or your employee while in the course of his or her employment.

spouse, child, parent, brother, or sister of that co "employee" as a consequence of such "bodily injury" or "personal injury" or for any obligation to share damages with or repay someone else who must pay damages because of the injury; or
- b. Your medical director is an insured but only with respect to his or her duties as such. However, no medical director is an insured for "bodily injury" to you or your employee while in the course of his or her employment.

(2) "Bodily injury" or "personal injury" arising out of his or her providing or failing to provide "professional health care services"; or
- c. Any person(s) who are volunteer worker(s) for you, are insureds, but only while acting at your direction and within the scope of their duties for you. However, none of these volunteers is an insured for:
 - (1) "Bodily injury" or "personal injury" to you or to an "employee" while in the course of his or her employment, or the spouse, child, parent, brother or sister of that "employee" as a consequence of such "bodily injury" or "personal injury" or for any obligation to share damages with or repay someone else who must pay damages because of the injury; or
 - (2) "Property damage" to property owned or occupied by or rented or loaned to that volunteer or any other of your volunteers.
- d. Your "employees," and any student nurse under the direction of an insured, other than "executive officers," are insureds but only while acting within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:
 - (1) "Bodily injury" or "personal injury" to you or to a co "employee" while that co "employee" is either in the course of his or her employment, or performing duties related to the conduct of your business, or the
- e. Any organization you newly acquire or form, other than a partnership, joint venture, or limited liability company and over which you maintain ownership or majority interest, will be deemed to be a Named Insured if there is no other similar insurance available to that organization. However:
 - (1) Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.
 - (2) No organization is an insured for any injury or damage that occurred before you acquired or formed the organization.
- f. Any person (other than your "employee") or any organization is an insured while acting as your real estate manager.
- g. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any

kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- (1) "Bodily injury" to a co-"employee" of the person driving the equipment; or
- (2) "Property damage" to property owned by, rented to, in charge of or occupied by you or the employer of any person who is an insured under this provision.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture, or limited liability company that is not shown as a Named Insured in the Declarations Page.

No physician or surgeon is an insured for acts or omissions in the furnishing of or failure to furnish personal health care services to any individual.

D. ADDITIONAL EXCLUSIONS

This coverage does not apply to "bodily injury," "property damage," personal injury," or "advertising injury" arising out of a "professional health care incident."

E. ADDITIONAL DEFINITIONS

1. "Professional health care incident" means:

a. Any act or omission:

- (1) In the furnishing of "professional health care services." This includes furnishing of food, beverages, medications or appliances in connection with such services;

(2) In the handling of deceased human bodies;

(3) Arising out of service by any persons as members of a formal accreditation, standards review or similar board of the Named Insured or as a person who executes the duties of such board.

b. Failure to comply with any right of a resident under any state or federal law regulating you as a resident health care facility;

c. Failure to protect any resident from undue influence by an insured when such undue influence is to the personal detriment of the resident.

Any such act, omission or failure, together with all related acts, omissions or failures in the furnishing of "professional health care services" to any one person, shall be considered one "professional health care incident" subject to the Each Claim Limit of Insurance in force at the time the first "professional health care incident" covered by this policy occurred.

2. "Professional health care services" means your professional medical, nursing, cosmetic, social, and similar professional services that relate to the care of your residents.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

EXCLUSION - CYBER LIABILITY

This endorsement modifies insurance provided under the General Liability Coverage Part.

The following is added for all coverages of the General Liability Coverage Form and General Liability Coverage Form Claims-Made Coverage.

This exclusion and endorsement do not apply to the Cyber Liability and Data Breach Response Coverage Form.

A. EXCLUSION - CYBER LIABILITY

This insurance does not apply to any of the following:

1. Personal Injury or Advertising Injury

"Bodily injury" arising out of "personal injury" or "advertising injury".

2. Access or Disclosure of Confidential or Personal Information and Data-Related Liability

a. Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, or any other type of nonpublic information; or

- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts, or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices, or any other media which

are used with electronically controlled equipment.

- b. "Personal injury" or "advertising injury"** arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, or any other type of nonpublic information.

These exclusions apply even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses, or any other loss, cost, or expense incurred by you or others arising out of that which is described in Paragraph **a.(1)**, **a.(2)**, or **b.** above.

However, unless Paragraph **a.** above applies, this exclusion does not apply to damages because of "bodily injury".

3. Recording and Distribution of Material or Information in Violation of Law

"Bodily injury", "property damage", "personal injury", or "advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;**

b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law;

c. The Fair Credit Reporting Act (FCRA) and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

d. Any federal, state, or local statute, ordinance, or regulation, other than the TCPA, CAN-SPAM Act of 2003, or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating, or distribution of material or information.

4. Knowing Violation of Rights of Another

"Personal injury" or "advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal injury" or "advertising injury".

5. Quality or Performance of Goods - Failure to Conform to Statements

"Personal injury" or "advertising injury" arising out of the failure of goods, products, or services to conform with any statement of quality or performance made in your "advertisement".

6. Wrong Description of Prices

"Personal injury" or "advertising injury" arising out of the wrong description of the price of goods, products, or services stated in your "advertisement".

7. Infringement of Copyright, Patent, Trademark, or Trade Secret

"Personal injury" or "advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret, or other intellectual property rights. Under this exclusion, such other

intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress, or slogan.

8. Insureds in Media- and Internet-Type Businesses

"Personal injury" or "advertising injury" committed by an insured whose business is:

a. Advertising, broadcasting, publishing, or telecasting;

b. Designing or determining content of websites for others; or

c. An Internet search, access, content, or service provider.

However, this exclusion does not apply to Subparagraphs a., b., and c. of "personal injury" under the **Definitions** section of the General Liability Coverage Form.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself considered the business of advertising, broadcasting, publishing, or telecasting.

9. Electronic Chatrooms or Bulletin Boards

"Personal injury" or "advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

10. Unauthorized Use of Another's Name or Product

"Personal injury" or "advertising injury" arising out of the unauthorized use of another's name or product in your email address, domain name, or metatag or any other similar tactics to mislead another's potential customers.

B. DEFINITIONS

For purposes of application of this **EXCLUSION - CYBER LIABILITY endorsement**, the quoted terms below have the following meanings:

"Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products, or services for the purpose of attracting customers or supporters. For the purposes of this definition:

1. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
2. Regarding websites, only that part of a website that is about your goods, products, or services for the purposes of attracting customers or supporters is considered an advertisement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the General Liability Coverage Part.

The following is added to the General Liability Additional Provisions Form.

A. ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION

1. Paragraph C, Who Is An Insured, is amended to include as an insured the person or organization shown in the applicable schedule in the Declarations Page but only with respect to "bodily injury," "property damage," "personal injury," or "advertising injury" liability arising out of your operations or premises owned by or rented to you.

Refer to the Declarations Page to determine the insured person or organization.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT

This endorsement modifies insurance provided under the General Liability Coverage Part.

The following is added to the General Liability Coverage Form and the Sexual Misconduct or Sexual Molestation Liability and Medical Expense Coverage Form.

A. LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT

1. This insurance applies only to injury for "bodily injury," "property damage," "personal injury," "advertising injury," "sexual misconduct or sexual molestation," and medical expenses arising out of:
 - a. The ownership, maintenance, or use of the premises shown in the applicable schedule of the Declarations Page and operations necessary or incidental to those premises; or
 - b. The project shown in the applicable schedule of the Declarations Page.

Refer to the Declarations Page to determine the premises or project.

04/01/20

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**EXCLUSION - PROFESSIONAL HEALTH, SOCIAL, OR COSMETIC SERVICES**

This endorsement modifies insurance provided under the General Liability Coverage Part.

The following is added for all coverages of the General Liability Coverage Form and the Sexual Misconduct or Sexual Molestation Liability and Medical Expense Coverage Form.

A. EXCLUSION - PROFESSIONAL HEALTH, SOCIAL, OR COSMETIC SERVICES

1. With respect to the operation of any Health Care Facility, this insurance does not apply to injury for "bodily injury," "property damage," "personal injury," "advertising injury," or "sexual misconduct or sexual molestation" arising out of:

- a. Any act or omission:

- (1) In the furnishing of professional nursing, cosmetic, social, and similar professional services that relate to the care of your residents. This includes furnishing of food, beverages, medications, or appliances in connection with such services;
- (2) In the handling of deceased human bodies;

- (3) Arising out of service by any persons as members of a formal accreditation, standards review or similar board of the Named Insured or as a person who executes the duties of such board.

- b. Failure to comply with any right of a health care facility resident under any state law regulating you as a resident health care facility;
- c. Failure to comply with any right of a resident as included in the United States Department of Health, Education, and Welfare regulation governing intermediate care facilities and skilled nursing facilities; and
- d. Failure to protect any resident from undue influence.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - EXCLUDED OPERATION(S)

This endorsement modifies insurance provided under the General Liability Coverage Part.

The following is added for all coverages of the General Liability Coverage Form and the Sexual Misconduct or Sexual Molestation Liability and Medical Expense Coverage Form.

A. EXCLUSION - EXCLUDED OPERATION(S)

1. This insurance does not apply to injury for "bodily injury," "property damage," "personal injury," "advertising injury," or "sexual misconduct or sexual molestation" to any person arising out of any excluded operation(s) shown in the applicable schedule of the Declarations Page.

Refer to the Declarations Page to determine the excluded operation(s).

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - LEAD LIABILITY

This endorsement modifies insurance provided under the General Liability Coverage Part.

The following is added for all coverages of the General Liability Coverage Form.

A. EXCLUSION - LEAD LIABILITY

This insurance does not apply to:

1. Actual or alleged "bodily injury" arising out of the presence, ingestion, inhalation, absorption, adsorption, or exposure to lead in any form;
2. Actual or alleged "property damage," "personal injury," or "advertising injury" arising out of any form of lead;
3. Any loss, cost, or expense arising out of any request, demand or order that any insured or

others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to or assess the effects of lead; or

4. Any loss, cost, or expense arising out of any claim or suit by or on behalf of any governmental authority for damages resulting from testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of lead.

LEGAL DEFENSE COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations Page. The words "we", "us" and "our" refer to Church Mutual Insurance Company.

The word "insured" means any person or organization qualifying as an insured. Refer to Paragraph **B. WHO IS AN INSURED.**

Other words and phrases that appear in quotation marks have special meaning. Refer to Paragraph **G. DEFINITIONS.**

A. LEGAL DEFENSE COVERAGE

1. Insuring Agreement

We will pay "defense costs", incurred by any insured, that result from a "suit" to which this insurance applies. This insurance applies to these "defense costs" only if:

- a. The "suit" results from a "defensible incident" that takes place in the "coverage territory"; and
- b. The "suit" results from a "defensible incident" that occurs during the policy period;

No other obligation or liability to perform acts or services is covered.

2. Exclusions

This insurance does not apply:

- a. To any "defense costs" incurred because of:
 - (1) "Bodily injury";
 - (2) "Personal injury";
 - (3) "Advertising injury";
 - (4) Any actual or alleged act of "sexual misconduct or sexual molestation". This includes, but is not limited to, expenses related to any claim or "suit" seeking damages based upon,

arising out of, or attributable to vicarious liability; negligence in hiring, employment, supervision, retention, or transfer of any employee or volunteer workers; recommendation or referral of any person for employment or volunteer work; failure to protect or negligent supervision of any person (whether an adult or child), failure to warn, failure to investigate, or failure to comply with any obligation to report; and counseling;

- (5) Any actual or alleged acts, errors or omissions in providing or failing to provide any professional service;
- (6) "Property damage";
- (7) A dispute involving this contract, or any other contract issued by us;
- (8) Any class action "suit";
- (9) Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law;
- (10) Any dispute between the insured and us;
- (11) Any actual or alleged claim or injury for which any insured is obligated to pay damages by

reason of the assumption of liability in a contract or agreement;

(12) An "Affiliated Entity Dispute" with an "Affiliated Entity"; or

(13) Any proceedings before an ecclesiastical body.

b. If any "defense costs" are:

(1) An obligation of ours or any other insurance company under any other insurance policy or endorsement; or

(2) An obligation of any other person, group, or organization (other than an insured)

even if the obligation is only a partial obligation; or

(3) Your obligation in the form of a deductible or retention under this policy or any other policy we or any other carrier issue to you.

c. To any damages.

B. WHO IS AN INSURED

See the applicable General Liability Additional Provisions Form.

C. LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations Page and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. "Suits" brought; or

c. Persons or organizations bringing "suits".

2. The Aggregate limit is the most we will pay as the sum of all "defense costs" incurred as a result of all "suits" brought against any insured.

3. Subject to 2. above, the Each Defensible Incident limit is the most we will pay as the sum of all "defense costs" incurred as a result of all "suits" brought against any insured for any one "defensible incident".

The aggregate limits of insurance of this Coverage Form apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations Page, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

D. DEDUCTIBLE

We will not pay any "defense costs" until the amount of the "defense costs" exceeds \$250. We will then pay the amount of the "defense costs" in excess of \$250, up to the Limits of Insurance.

E. YOUR CHOICE OF AN ATTORNEY

You have the right to choose your own attorney, but your attorney must be licensed to provide legal services. Your attorney has the right to freely exercise his or her professional judgment in the defense of any "suit" against you.

F. LEGAL DEFENSE CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or the insured's estate will not relieve us of our obligations under this Coverage Form.

2. Duty to Investigate or Defend

We have no duty to investigate or defend any "suit" brought against you.

3. Duties in the Event of a "Defensible Incident" or "Suit"

a. You must see to it that we are notified within 60 days of your becoming aware of any "defensible incident"

that may result in a "suit". To the extent possible, notice should include:

- (1) The nature of the "defensible incident"; and
- (2) How, when, and where the "defensible incident" took place.

Notice of a "defensible incident" is not notice of a "suit".

- b. If "suit" is brought against the insured, you must:

- (1) Notify us within 60 days of the date "suit" is brought against the insured.
- (2) As soon as practicable, send us written notice of the "suit". This notice should include the nature of the "defensible incident", and how, when, and where the "defensible incident" took place.
- (3) Give us the name, address and other information sufficient to identify the attorney or firm who will be defending you in the "suit".

4. Representations

By accepting the endorsement, you agree:

- a. The statements in the Declarations Page are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this endorsement in reliance upon your representation.

5. Transfer of Rights of Recovery Against Others to Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Form, those rights are transferred to us. The insured must do nothing after the "suit" is brought to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

6. Two or More Policies

If two or more policies issued by us apply to the same insured and these policies also apply to the same "suit", the maximum amount we will pay as damages under all the policies will not exceed the highest applicable Limit of Insurance that applies to any one of the policies.

This does not apply to any policy issued by us that is specifically written as excess insurance.

7. Arbitration

If we and any insured cannot reach an agreement concerning any of the terms of this Coverage Form, the disagreement will be settled by arbitration. The rules of the American Arbitration Association will be followed. The arbitrator shall have the power to determine the meaning of the terms of this Coverage Form. The arbitrator shall not have the power to change or amend this Coverage Form, unless we and all insureds consent to the change in writing.

We and you will equally share all costs of arbitration.

G. DEFINITIONS

1. "Advertising injury" means injury arising out of one or more of the following offenses:
 - a. Oral or written publication of material that slanders or libels a person or organization or disparages a

- person's or organization's goods, products or services;
- b. Oral or written publication of material that violates a person's right of privacy;
 - c. Misappropriation of advertising ideas or style of doing business; or
 - d. Infringement of copyright, title, or slogan.
2. "Affiliated Entity" means any Named Insured or any other entity or organization with which any Named Insured is, has been, is claimed to be or have been affiliated or associated, or which any Named Insured governs or is governed by, owns or is owned by, or controls or is controlled by, including, but not limited to, any and all corporations, associations, partnerships, joint ventures, foundations, churches, congregations, trusts, educational institutions, day care facilities, group home facilities, denominations, dioceses, conventions, districts, synods, councils, camps, conference centers, and any other similar entity or organization. "Affiliated Entity" includes all "Directors, Officers and Trustees", employees, members, or volunteers of such entity or organization and all "Directors, Officers and Trustees", employees, members, or volunteers of any Named Insured.
3. "Affiliated Entity Dispute" means any "suit" arising out of, resulting from, or involving any allegation or claim made against any insured by or on behalf of any actual or alleged "Affiliated Entity" that arises out of one or more of the following:
- a. Ownership, title, control, or use or return of real or personal property, donations, or financial assets;
 - b. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies;
 - c. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products, or services;
 - d. Access to financial or other records;
 - e. The authority or control over business affairs of an insured;
 - f. The appointment or election of "Directors, Officers and Trustees" or other positions;
 - g. The interpretation or application of articles of incorporation, charters, association agreements, constitutions, bylaws, or other governing documents, or any amendments thereto;
 - h. Ecclesiastical, doctrinal, religious, or philosophical teachings, beliefs, practices, or policies.
- However, "Affiliated Entity Dispute" does not include any claim or claims seeking monetary damages made against an insured by an employee, member, or volunteer of the Named Insured who is not a "Directors, Officers and Trustees".
4. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
5. "Coverage territory" means the United States of America (including its territories and possessions), Puerto Rico and Canada.
6. "Defense costs" means the cost of reasonable and customary attorney's fees for legal services rendered in defending "suits" brought against you and includes attorney's expenses in relation to those services. Reasonable and customary attorney's fees and expenses means the rates which are actually paid by the insurer to attorneys retained by the insurer in the ordinary course of business in the defense of similar actions in the community where

the claim arose or is being defended but the fees and expenses must qualify as a deductible expense to you under Section 162 of the U.S. Internal Revenue Code. This applies even if you are not subject to the code. We shall have the option to audit "defense costs" on behalf of the insured.

7. "Defensible incident" means any acts, omissions or failures of any insured. Every such act, omission, or failure involving substantially the same general circumstances shall be considered one "defensible incident" subject to the Each Defensible Incident Limit of Insurance in force at the time the first such "defensible incident" covered by this policy occurred.

"Defensible incident" does not include:

- a. Any deliberate acts, omissions, or failures for purposes of causing a "suit" to be filed against you; or
 - b. Any act by person or persons who personally participated or alleged to have personally participated in any act of "sexual misconduct or sexual molestation".
8. "Directors, Officers and Trustees" means any of your past, present, or future directors, officers, trustees, clergy, wardens, deacons, elders, or members of duly elected, appointed, or constituted governing bodies while acting within the scope of their duties as such; and, in the event of death, incapacity, or bankruptcy, the estate, heirs, legal representatives, or assigns of the individual, but only with respect to their duties as such.
9. "Law enforcement inquiry" means an investigation undertaken by law enforcement officials and directed against a person suspected of committing a criminal offense under federal, state, or local law, including any related prosecution for such alleged offense.

10. "Personal injury" means injury, other than "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies;
- d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
- e. Oral or written publication of material that violates a person's right of privacy.

11. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

12. "Sexual misconduct or sexual molestation" is any activity by anyone (whether an adult or child) which is sexual in nature whether permitted or unpermitted, including but not limited to, sexual assault, sexual battery, sexual relations, sexual acts, sexual activity, sexual handling, sexual massage, sexual exploitation, sexual exhibition, photographic, video or other reproduction of sexual activity, sexual stimulation, fondling, intimacy, exposure of sexual organs, lewd, or lascivious behavior or indecent exposure,

fornication, undue familiarity, or unauthorized touching.

13. "Suit" means a proceeding in a court of proper jurisdiction. "Suit" includes:

- a. A civil proceeding;
- b. An arbitration proceeding to which you must submit or do submit with our consent;
- c. Any other alternative dispute resolution proceeding to which you submit with our consent;
- d. Any "law enforcement inquiry"; or
- e. An administrative hearing to which you must submit or do submit with our consent.

All "suits", countersuits, counterclaims, "law enforcement inquiries", and similar proceedings substantially related to the same "defensible incident" shall be considered one "suit".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**AMENDMENT OF INSURING AGREEMENT -
KNOWN INJURY OR DAMAGE**

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE PART

The following is added under Bodily Injury and Property Damage Liability Coverage Insuring Agreement, Item A.1.b.:

- (3) Prior to the policy period, no insured listed under Paragraph E - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change, or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph E - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change, or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph E - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
 - (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**CATASTROPHIC VIOLENCE RESPONSE COVERAGE**

This endorsement modifies insurance provided under the General Liability Coverage Part.

The following is added to the General Liability Coverage Form.

SCHEDULE*		
Per Person Limit	Each Violent Incident Limit	Violent Incident Aggregate Limit
<p>*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.</p>		

A. CATASTROPHIC VIOLENCE RESPONSE COVERAGE**1. Insuring Agreement**

We will pay covered expenses that result from a "violent incident" to which this insurance applies. This insurance applies to a "violent incident" only if the "violent incident":

- a. Occurs during the policy period;
- b. Occurs during your "organized activities"; and
- c. Occurs on premises you own or lease.

Covered expenses resulting from the "violent incident," (unless otherwise limited) must be incurred within 395 days of the date of the "violent incident."

2. Exclusions

We will not pay expenses:

- a. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.
- b. Due to loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.

- c. Arising out of any actual or alleged act of "sexual misconduct or sexual molestation." This includes, but is not limited to expenses related to any claim or suit seeking damages based upon, arising out of, or attributable to vicarious liability; negligence in hiring, employment, supervision, retention, or transfer of any employee or volunteer workers; recommendation or referral of any person for employment or volunteer work; failure to protect or negligent supervision of any person (whether an adult or child) failure to warn, failure to investigate, or failure to comply with any obligation to report; and counseling.
- d. Arising out of the ownership, maintenance, or use of any motorized vehicle or equipment, including, but not limited to any aircraft, "auto," watercraft, recreational vehicle, snowmobile, motorcycle, motorbike, golf cart, or lawnmower.
- e. Incurred by the perpetrator(s) of the "violent incident," regardless of their relationship to you.
- f. For legal costs, litigation, attorney fees, judgments, settlements, and damages that result from any claim, action, or legal proceeding of any type or nature brought against any insured in connection with a "violent incident."

04/01/20

- g. For legal costs, litigation, and attorney fees from any claim, action, or legal proceeding of any type or nature brought by any insured in connection with a "violent incident."
- h. For any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law, regardless of whether the claimant has made a claim for such benefits.
- i. For damage to property including loss of use of property.
- j. For any services provided by a governmental entity.

This exclusion does not apply to services that are customarily charged to the public.

- k. For indirect or consequential property loss of any kind resulting from a "violent incident."

B. COVERED EXPENSES

- 1. Subject to the applicable Limits of Insurance, covered expenses means only reasonable and necessary expenses. Covered expenses do not include any expenses other than emergency medical expenses that are not approved by us before incurred.
- 2. Subject to the Per Person Limit, reasonable and necessary expenses for any one person include:
 - a. Medical expenses, including ambulance services, emergency airlift and physical therapy. Emergency medical expenses do not require pre-approval by us. Our payment for covered medical expenses will be excess of the amount due from any other valid and collectible insurance including insurance available to any insured or any injured person. We will not pay the amount due from that other insurance.
 - b. Individual counseling services for up to 90 days after the "violent incident" for any person who has sustained "serious bodily injury" or was held in a "hostage situation."
 - c. Individual counseling for up to 90 days after the violent incident for the immediate

family of any person who has sustained "serious bodily injury" or was held in a "hostage situation."

- 3. Subject to the Violent Incident Limit, reasonable and necessary expenses include:

- a. Funeral expenses. The most we will pay for funeral expenses is \$10,000 for any one funeral.
- b. We will pay two-thirds of the "wage loss" incurred by a person who sustains "serious bodily injury," a person held in a "hostage situation," or their "caregiver" for up to 30 days after the "violent incident" and up to a maximum limit of \$2,500. In the event that another policy, program or plan pays a portion of the "wage loss" but less than two-thirds of the "wage loss" then we will pay the difference between that portion and two-thirds of the "wage loss."

(1) Proof of "wage loss" must be provided in writing by the employer of the person sustaining the "wage loss." If a person to whom coverage applies under this endorsement is self-employed, then such person must provide tax returns and other necessary records to document their "wage loss."

- c. The cost of an independent public relations consultant for up to 30 days after a "violent incident."
- d. Independent security services for up to 15 days after a "violent incident."
- e. Group counseling services for your members for up to 30 days after a "violent incident."
- f. "Wages" of temporary staff hired to replace employees who have sustained "serious bodily injury" during a "violent incident." "Wages" shall not be more than the "wages" received by the employee being replaced. Coverage shall end 30 days after the date the "violent incident" occurred.
- g. Rental of an equivalent alternate facility for up to 30 days after the "violent incident."
- h. Group counseling services for your members for up to 7 days before and/or 7 days after the first anniversary date of a "violent incident."

POLICY NO.: 0331463-02-104136

- i. Security services and independent public relations consultant for up to 7 days before and/or 7 days after the first anniversary date of a "violent incident."

C. LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Schedule of this Endorsement or on the Declarations Page and the rules below fix the most we will pay.
2. The Violent Incident Aggregate Limit is the most we will pay for the sum of all covered expenses arising out of all "violent incidents."
3. Subject to 2. above, the Each Violent Incident Limit is the most we will pay for the sum of all covered expenses arising out of any one "violent incident."
4. Subject to 3. above, the Per Person Limit is the most we will pay any one person for the sum of all covered expenses arising out of a "violent incident."
5. The Limits of Insurance shown in the Schedule of this Endorsement for Each Violent Incident (or on the Declarations Page for Each Violent Incident) are the most that we will pay for the sum of all covered expenses that arise out of a violent incident, regardless of:
 - a. The number of perpetrators;
 - b. The number of people sustaining "serious bodily injury," or held in a "hostage situation;"
 - c. The period of time over which the "violent incident" occurs; or
 - d. The number of policy periods over which the "violent incident" occurs. If the "violent incident" occurs over more than one policy period, the limits of insurance applicable when the "violent incident" first began will apply.

D. CATASTROPHIC VIOLENCE RESPONSE COVERAGE CONDITIONS

1. The payment of covered expenses under this endorsement is not an admission of liability under other coverages of this policy.
2. Duties in the event of a "violent incident."

- a. You must see to it that we are notified as soon as practicable of any "violent incident" that may result in a claim. To the extent possible, notice should include:

- (1) How, when, and where the "violent incident" took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature of the injury arising out of the "violent incident."

- b. No insured will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our prior approval.

3. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary for all covered expenses except medical expenses. When this insurance is primary, our obligations are not affected unless any other insurers' insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent, or on any other basis for medical expenses.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically

to apply in excess of the Limits of Insurance shown in the Schedule of this Endorsement or on the Declarations Page.

c. Method of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable Limit of Insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable Limit of Insurance to the total applicable Limits of Insurance of all insurers.

4. Transfer of Rights of Recovery Against Others To Us.

If the insured has rights to recover all or part of any payment we have made under this endorsement, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us to enforce them.

E. DEFINITIONS

1. "Auto" means a land motor vehicle, trailer, or semitrailer designed for travel on public roads, including any attached machinery or equipment.
2. "Caregiver" means "child," "spouse," or "parent" for the purpose of this coverage.
3. "Child" means a natural, adopted, or foster child, a stepchild, or a legal ward.
4. "Disruptive behavior" means any altercation or dispute that would not cause a reasonable adult to conclude that he or she was in immediate danger of "serious bodily injury." It includes, but is not limited to, behavior that disturbs, interferes with, or prevents your normal activities, such as: fistfights, brawling, punching, hitting, slapping, kicking, biting, choking, yelling, using profanity, bullying, or pranks.
5. "Hostage situation" means persons are held captive and restrained by someone who threatens to inflict "serious bodily injury" and the circumstances of the threat cause a

reasonable adult to conclude the captives are at risk of "serious bodily injury."

6. "Organized activities" means only activities sponsored by you.
7. "Parent" means a natural parent, foster parent, adoptive parent, stepparent, or legal guardian.
8. "Serious bodily injury" means death or bodily injury that creates a substantial risk of death or which causes serious, permanent disfigurement, or protracted loss or impairment of the function of any significant bodily member or organ. "Serious bodily injury" does not include emotional or mental injury.
9. "Sexual misconduct or sexual molestation" is any activity by anyone (whether an adult or child) which is sexual in nature whether permitted or unpermitted, including but not limited to, sexual assault, sexual battery, sexual relations, sexual acts, sexual activity, sexual handling, sexual massage, sexual exploitation, sexual exhibition, photographic, video or other reproduction of sexual activity, sexual stimulation, fondling, intimacy, exposure of sexual organs, lewd, or lascivious behavior or indecent exposure, fornication, undue familiarity, or unauthorized touching.
10. "Spouse" means a legal husband or wife.
11. "Violent incident" is limited to a catastrophic event that:
 - a. Is caused by an intentional criminal act or a series of related intentional criminal acts; and
 - b. Results in two or more persons [not including the perpetrator(s)] sustaining "serious bodily injury" or being held in a "hostage situation."

It does not include "disruptive behavior."

A "violent incident" starts when the first act or series of acts begins. It ends when the act is concluded, when the last in a series of acts is concluded, or when the premises have been secured by proper civil authority, whichever is earliest.

12. "Wage loss" means loss of actual gross income, but only to the extent that such income was being paid on the date that "serious bodily injury" caused by a "violent incident" occurred. "Wage loss" does not include potential income that may have been received from overtime hours, on-call pay or

POLICY NO.: 0331463-02-104136

04/01/20

similar types of compensation. "Wage loss" also does not include compensation for paid sick leave, short-term disability days, long-term disability days, or family leave that was used as a result of the "serious bodily injury."

13. "Wages" means compensation you pay an employee, including the cost of health, welfare and pension benefits.

04/01/20

SEXUAL MISCONDUCT OR SEXUAL MOLESTATION LIABILITY AND MEDICAL EXPENSE COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and is not covered.

Throughout this Policy, the words "you" and "your" refer to the Named insured shown in the Declarations Page. The words "we", "us", and "our" refer to Church Mutual Insurance Company.

The word "insured" means any person or organization qualifying as an insured. Refer to Section **D. WHO IS AN INSURED**.

If not defined within the text of this coverage form, words and phrases that appear in quotation marks have special meaning. Refer to Section **G. DEFINITIONS**.

Except to the extent that insurance is provided by this Sexual Misconduct or Sexual Molestation Liability and Medical Expense Coverage Form, the Policy to which this Coverage Form is attached does not apply to nor do we have any duty to defend any claim or "suit" seeking damages based on, attributable to, or arising out of any actual or alleged act of "sexual misconduct or sexual molestation".

The insurance provided by this Sexual Misconduct or Sexual Molestation Liability and Medical Expense Coverage Form includes, but is not limited to, any claim or "suit" seeking damages based on, attributable to, or arising out of vicarious liability; negligence in hiring, employment, supervision, retention, or transfer of any employee or volunteer worker; recommendation or referral of any person for employment or volunteer work; failure to protect or negligent supervision of any person (whether an adult or child); failure to warn, failure to investigate, or failure to comply with any obligation to report; and counseling arising out of "sexual misconduct or sexual molestation".

A. SEXUAL MISCONDUCT OR SEXUAL MOLESTATION LIABILITY COVERAGE

1. Insuring Agreement.

- a. We will pay those sums that any insured becomes legally obligated to pay as damages because of injury arising out of an act of "sexual misconduct or sexual molestation" to which this insurance applies.
- b. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the Insured against any "suit" seeking damages for "sexual misconduct or sexual molestation" to which this insurance does not apply. We may, at our discretion, investigate any act of "sexual misconduct or sexual molestation" and settle any claim or "suit" that may result. But:

(1) The amount we will pay under this Sexual Misconduct or Sexual Molestation Liability Coverage for damages is limited. Refer to Section **E. LIMITS OF INSURANCE**; and

(2) Our right and duty to defend under this Coverage Form ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under Sexual Misconduct or Sexual Molestation Liability Coverage or Sexual Misconduct or Sexual Molestation Medical Expense Coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Section **C.**

**SUPPLEMENTARY
PAYMENTS - SEXUAL
MISCONDUCT OR SEXUAL**

MOLESTATION LIABILITY COVERAGE.

c. This insurance applies to injury only if:

- (1) The injury is caused by an act of "sexual misconduct or sexual molestation" that takes place in the "coverage territory";
- (2) The act of "sexual misconduct or sexual molestation" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraphs 1., 2., 3., and 4. of Section D. **WHO IS AN INSURED** and no employee authorized by you to give or receive notice of an injury or claim knew that the "sexual misconduct or sexual molestation" had occurred, in whole or in part.

If such a listed insured or authorized employee knew, prior to the policy period, that the "sexual misconduct or sexual molestation" occurred, then any continuation, change, or resumption of such "sexual misconduct or sexual molestation" during or after the policy period will be deemed to have been known prior to the policy period.

d. "Sexual misconduct or sexual molestation" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraphs 1., 2., 3., and 4. of Section D. **WHO IS AN INSURED** or any employee authorized by you to give or receive notice of an injury or claim, includes any continuation, change, or resumption of that "sexual misconduct or sexual molestation" after the end of the policy period.

e. "Sexual misconduct or sexual molestation" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraphs 1., 2., 3., and 4. of Section D. **WHO IS AN INSURED** or any employee authorized by you to give or receive notice of an injury or claim:

- (1) Reports all, or any part, of the "sexual misconduct or sexual molestation" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "sexual misconduct or sexual molestation"; or
- (3) Becomes aware by any other means that "sexual misconduct or sexual molestation" has occurred or has begun to occur.

f. Damages because of "sexual misconduct or sexual molestation" include damages claimed by any person or organization for care, loss of services, or death resulting at any time from the "sexual misconduct or sexual molestation".

2. Exclusions.

This insurance does not apply to:

a. Intentional Act

Any person who personally participated in any act of "sexual misconduct or sexual molestation".

b. Defense

The cost of defense of, or the cost of paying any fines for, any person resulting from actual or alleged violation of any penal or criminal statute.

c. Sex Discrimination

Any claim or injury based on, attributable to, or arising out of sex discrimination.

d. Contractual Liability

Any claim or injury based on, attributable to, or arising out of any breach for which any insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This Exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

e. Workers' Compensation and Similar Laws

Any obligation of any insured under a workers' compensation, disability benefits, or unemployment compensation law or any similar law.

f. Employer's Liability

Any claim or injury based on, attributable to, or arising out of injury to:

- (1) An employee or co-employee of the insured arising out of and in the course of employment by any insured; or
- (2) The spouse, child, parent, brother, or sister of that employee as a consequence of (1) above.

This Exclusion applies:

- (1) Whether any insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

g. Employment

Any claim or injury based on, attributable to, or arising out of any:

- (1) Refusal to employ;
- (2) Termination of employment;
- (3) Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination, sexual misconduct, or other employment-related practices, policies, acts, errors, or omissions; or
- (4) Consequential damages as a result of g.(1), g.(2), or g.(3) above.

This exclusion applies where any insured is liable either as an employer or in any other capacity; or there is an obligation to fully or partially reimburse a third party for damages arising out of Paragraphs g.(1), g.(2), g.(3), or g.(4) above.

h. Aircraft, Auto, Unmanned Aircraft, or Watercraft

Any claim or injury based on, attributable to, or arising out of the ownership, maintenance, use, or entrustment to others of any aircraft, "auto", "unmanned aircraft", or watercraft.

i. Punitive Damages

Any exemplary or punitive damages or multiplied amounts of compensatory or other damages.

j. Violation of Law

Any claim or injury based on, attributable to, or arising out of any actual or alleged violation of a penal statute, regulation, or ordinance committed by or with the knowledge or consent of any insured.

B. SEXUAL MISCONDUCT OR SEXUAL MOLESTATION MEDICAL EXPENSE COVERAGE**1. Insuring Agreement**

- a. We will pay medical expenses because of injury to a victim arising out of any act of "sexual misconduct or sexual molestation" to which this insurance applies provided that:

(1) The act or alleged act of "sexual misconduct or sexual molestation";

(a) Occurs on the premises owned, rented, or leased by the insured including the grounds and structures appurtenant to those premises; or

(b) Arises out of a sponsored activity or in connection to a project or operation of the insured;

(2) The act or alleged act of "sexual misconduct or sexual molestation" takes place in the "coverage territory", during the policy period.

(3) The expenses are incurred and reported to us within three years of the date of the injury; and

(4) The injured person submits to examination, at our expense, by health care professionals of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable Limit of Insurance. Refer to Section E. **LIMITS OF INSURANCE.**

We will pay reasonable expenses for necessary professional services for treatment of injury resulting from "sexual misconduct or sexual molestation".

2. Sexual Misconduct or Sexual Molestation Medical Expense - Transfer of Rights to Recover From Others

If any person for whom we make payment under Sexual Misconduct or Sexual Molestation Medical Expense Coverage has rights to recover from other responsible parties all or part of that payment, those rights are transferred to us. At our request, any person for whom we make payment must assist us in our efforts to recover payment.

3. Exclusions

We will not pay medical expenses for injury which is excluded under Paragraph A.2. of this coverage form.

C. SUPPLEMENTARY PAYMENTS - SEXUAL MISCONDUCT OR SEXUAL MOLESTATION LIABILITY COVERAGE

1. We will pay, with respect to any claim we investigate or settle or any "suit" against an insured we defend:

a. All expenses we incur.

b. The cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds.

c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.

d. All costs taxed against any insured in the "suit". For the purpose of this provision, costs do not include prejudgment interest or post judgment interest.

e. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any

prejudgment interest based on that period of time after the offer.

- f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.

These payments will not reduce the Limits of Insurance.

D. WHO IS AN INSURED

1. You are an insured.
2. Any organization controlled by you is an insured, except that:
 - a. No organization is an insured if other similar insurance is available to that organization.
 - b. No organization is an insured for any act of "sexual misconduct or sexual molestation" committed before you acquired control of the organization.
 - c. No college, school, or church congregation is an insured unless the college, school, or church congregation:
 - (1) Is shown in the Declarations Page as the First Named Insured; or
 - (2) Is named in this Coverage Part as an Additional Insured.
3. The clergy, executive officers, directors, trustees, officials, elders, deacons, vestry members, council members, members of your board of education, and employees of you and an organization controlled by you is also an insured, but only with respect to their duties as such and while performing duties related to the conduct of your business.

However, no person is an insured for:

- a. Conduct resulting in injury to an employee while that employee is either in the course of his or her employment or performing duties related to the conduct of your business;
- b. Injury to the spouse, child, parent, brother, or sister of that employee; or
- c. Duties performed for a college, school, or church listed under Paragraph 2.c. above.

4. Persons who are your members or volunteer workers for you or an organization controlled by you are an insured, but only while acting at your direction and within the scope of their duties for you.

However, none of these members or volunteers are an insured for:

- a. Conduct resulting in injury to an employee while that employee is either in the course of his or her employment or performing duties related to the conduct of your business;
- b. Injury to the spouse, child, parent, brother, or sister of that employee.
- c. Duties performed for a college, school, or church listed under Paragraph 2.c. above.

5. No person is an insured under Section A. **SEXUAL MISCONDUCT OR SEXUAL MOLESTATION LIABILITY COVERAGE** or Section B. **SEXUAL MISCONDUCT OR SEXUAL MOLESTATION MEDICAL EXPENSE COVERAGE** if that person personally participated in or is alleged to have participated in the act of "sexual misconduct or sexual molestation".

E. LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations Page and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. The Sexual Misconduct or Sexual Molestation Liability Coverage Each Claim Limit is the most we will pay for the sum of all damages under Sexual Misconduct or Sexual Molestation Liability Coverage because of all injuries to all persons arising out of "One Claim".

For the purposes of the Limits of Insurance, the term "One Claim" means the following:

Regardless of the number of acts of "sexual misconduct or sexual molestation", period of time over which such acts occur, number of policies (whether concurrent or consecutive) issued by us during which such acts occur, or the number of persons acted upon, all injuries arising out of all acts of "sexual misconduct or sexual molestation" by the same person, or by two or more persons acting together, will be considered "One Claim", subject to the Sexual Misconduct or Sexual Molestation Liability Coverage Each Claim Limit of insurance in force during the term of a policy issued by us at the time the first act to any person occurred.

All acts of "sexual misconduct or sexual molestation" are deemed to have occurred at the time the first act occurred during the term of an in-force policy issued by us for purposes of determining the Sexual Misconduct or Sexual Molestation Liability Coverage Each Claim Limit.

If acts of "sexual misconduct or sexual molestation" occur during the policy period of more than one policy issued by us (whether or not concurrent or consecutive), the Sexual Misconduct or Sexual Molestation Liability Coverage Each Claim Limit of the policies cannot be stacked. The Sexual Misconduct or Sexual Molestation Liability Coverage Each Claim Limit available is the Sexual

Misconduct or Sexual Molestation Liability Coverage Each Claim Limit in force at the time the first act occurred during the term of a policy issued by us and in effect at the time the first act occurred.

3. Subject to 2. above, the Sexual Misconduct or Sexual Molestation Liability Coverage Aggregate Limit is the most we will pay for the sum of all damages from all claims under Sexual Misconduct or Sexual Molestation Liability Coverage because of all injuries to all persons arising out of all acts of "sexual misconduct or sexual molestation" by all persons (whether acting together or separately) regardless of the number of acts of "sexual misconduct or sexual molestation", period of time over which such acts occur, number of policies (whether concurrent or consecutive) issued by us in which such acts occur, or the number of persons acted upon.

The Sexual Misconduct or Sexual Molestation Liability Coverage Aggregate Limit of this Coverage Form applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations Page, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Sexual Misconduct or Sexual Molestation Liability Coverage Aggregate Limit of insurance.

If acts of "sexual misconduct or sexual molestation" by any person occur during the policy period of more than one policy issued by us (whether concurrent or consecutive), the Sexual Misconduct or Sexual Molestation Aggregate Limit of the policies cannot be stacked.

4. The Sexual Misconduct or Sexual Molestation Medical Expense Any One Person Limit is the most we will pay under Medical Expense Coverage for all medical expenses because of all injury

arising out of all acts of "sexual misconduct or sexual molestation" sustained by any one person.

The Sexual Misconduct or Sexual Molestation Medical Expense Any One Person Limit available is the Sexual Misconduct or Sexual Molestation Medical Expense Any One Person Limit in force at the time the first act occurred under a policy issued by us and in effect at the time the first act occurred.

5. Subject to 4. above, the Sexual Misconduct or Sexual Molestation Medical Expense Aggregate Limit is the most we will pay for the sum of all medical expenses under Sexual Misconduct or Sexual Molestation Medical Expense for the term of the policy.

F. SEXUAL MISCONDUCT OR SEXUAL MOLESTATION LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Form.

2. Duties in the Event of Occurrence, Offense, Claim, or Suit or Becoming Aware of Any Act of Sexual Misconduct or Sexual Molestation

- a. You must notify us within 60 days of your becoming aware of any actual or alleged act of "sexual misconduct or sexual molestation" which may result in a claim. To the extent possible, notice should include:
 - (1) How, when, and where the act of "sexual misconduct or sexual molestation" took place; and
 - (2) The names and addresses of any injured persons and witnesses; and
- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and

- (2) Notify us as soon as possible.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses, or legal papers received in connection with the claim or "suit";

- (2) Authorize us to obtain records and other information;

- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Form:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial, but we will not be liable for damages that are not

payable under the terms of this Coverage Form or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Form, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

- (1) This insurance is excess over any of the other insurance, whether primary, excess, or contingent.
- (2) This insurance is excess over any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.
- (3) When this insurance is excess, we will have no duty under this Coverage Form to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay

only our share of the amount of loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations Page.

c. Method of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable Limit of Insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable Limit of Insurance to the total applicable Limits of Insurance of all insurers.

5. Representations

By accepting the policy, you agree:

- a. The statements in the Declarations Page are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representation.

6. Separation of Insureds

Except with respect to the Limits of Insurance and any rights or duties specifically assigned in this Coverage Form to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

7. Transfer of Rights of Recovery Against Others to Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Form, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

G. DEFINITIONS**1. "Auto" means:**

- a. Land motor vehicle, trailer, or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or garaged.

2. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico, and Canada;
- b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or

c. All parts of the world if:**(1) The injury or damage arises out of:**

- (a) Goods or products made or sold by you in the territory described in a. above; or
- (b) The activities of a person whose home is in the territory described in a. above but is away for a short time on your business; and

(2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above, or in a settlement we agree to.

3. "Sexual misconduct or sexual molestation" is any activity by anyone (whether an adult or child) which is sexual in nature whether permitted or unpermitted, including, but not limited to, sexual assault, sexual battery, sexual relations, sexual acts, sexual activity, sexual handling, sexual massage, sexual exploitation, sexual exhibition, photographic, video or other reproduction of sexual activity, sexual stimulation, fondling, intimacy, exposure of sexual organs, lewd or lascivious behavior or indecent exposure, fornication, undue familiarity, or unauthorized touching.

4. "Suit" means a civil proceeding in which damages caused by "sexual misconduct or sexual molestation" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

5. "Unmanned aircraft" means an aircraft that is not:

- a. Designed;
- b. Manufactured; or
- c. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BLANKET ADDITIONAL INSURED ENDORSEMENT FOR
CONTRACT, AGREEMENT OR PERMIT - INCLUDING LESSOR OF
LEASED EQUIPMENT, OWNER OF LEASED LAND,
MANAGERS OR LESSORS OF PREMISES, ENGINEERS,
ARCHITECTS AND SURVEYORS AND VENDORS**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

The following is added to the General Liability Additional Provisions Form.

**A. ADDITIONAL INSUREDS - BY
CONTRACT, AGREEMENT, OR PERMIT.**

1. Paragraph C. - WHO IS AN INSURED, is amended to include as an insured:

(a) Any person or organization with whom you have entered into a written contract, agreement or permit requiring you to provide insurance as is afforded by this General Liability Coverage Form will be an additional insured, but only:

- (1) To the extent that such additional insured is held liable for acts or omissions committed by you or your subcontractors during the performance of your ongoing operations.

- (2) With respect to property owned or used by, or rented or leased to, you.

The insurance afforded any additional insured under this paragraph will be subject to all applicable exclusions or limitations described in paragraphs 2.(a), (b), (c), (d) and (e) and in 3.(a), (b), (c), (d), (e) and (f) below.

- (b) Such insurance as is provided by this paragraph for any additional insured will be primary, if so required by the written contract, agreement, or permit. Any other insurance available to such person or organization shall be excess over this insurance.

- (c) A person's or organization's status as an additional insured in connection with a written contract, agreement or permit under this paragraph ends when your operations for that additional insured are completed or the written contract, agreement or permit is terminated or expires.

2. Additional Exclusions or Limitations

(a) Lessor of Leased Equipment

If an equipment lessor is an additional insured as a result of the provisions of paragraphs 1.(a), (b) and (c) above, the following additional exclusions apply:

This insurance does not apply:

- (1) To any "occurrence" which takes place after the equipment lease expires;
- (2) To "bodily injury" or "property damage" arising out of the sole negligence of such additional insured.

(b) Owner of Leased Land

If an owner or other interest from whom land has been leased is an additional insured as a result of the provisions of paragraphs 1.(a), (b) and (c) above, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to lease that land; or
- (2) Structural alterations, new construction, or demolition operations performed by or on behalf of the owner or other interest from whom the land was leased.

(c) Managers or Lessors of Premises

If a manager or lessor of premises you rent or lease is an additional insured as a result of the provisions of paragraphs 1.(a), (b) and (c) above, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or
- (2) Structural alterations, new construction, or demolition operations performed by or on behalf of the manager or lessor of that premises.

(d) Engineers, Architects, or Surveyors

If an engineer, architect or surveyor is an additional insured as a result of the provisions of paragraphs 1.(a), (b) and (c) above, the following additional exclusions apply:

This insurance does not apply to "bodily injury," "property damage," or "personal and advertising injury" arising out of the rendering or the failure to render any professional services by or for you, including:

- (1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
- (2) Supervisory, inspection, architectural or engineering activities.

(e) Vendors of "Your Products"

If a vendor of "your products" is an additional insured under this Coverage Part, such insurance as is provided to the additional insured applies only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and subject to the following additional exclusions:

- (1) This insurance afforded the vendor does not apply to:
 - (i) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
 - (ii) Any express warranty unauthorized by you;
 - (iii) Any physical or chemical change in the product made intentionally by the vendor;

- (iv) Repackaging, except unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
 - (v) Any failure to make such inspections, adjustments, tests, or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business; in connection with the distribution or sale of the products;
 - (vi) Demonstration, installation, servicing, or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product; or
 - (vii) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor.
 - (viii) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - a) The exceptions contained in Sub paragraphs (iv) or (vi); or
 - b) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part, or container entering into, accompanying or containing such products.
3. Such insurance as is afforded for any additional insured under 1. and as modified by **Paragraph 2.** above is subject to all applicable exclusions under **Coverage A, BODILY INJURY AND PROPERTY DAMAGE LIABILITY COVERAGE, Paragraph 2. Exclusions** other than **2.b.** which is applicable to contractual liability; and to the following additional exclusions:
- (a) The independent acts or omissions of such additional insured.
 - (b) Any liability arising from injury or damage in connection with a contract or agreement executed or permit issued subsequent to:
 - (i) The occurrence of any "bodily injury" or "property damage"; or
 - (ii) The commission of any offense which caused "personal and advertising injury."
 - (c) Construction or demolition activities within 50 feet of any railroad property and affecting any railroad bridge or trestle, track, road-bed, tunnel, underpass or crossing.

- (d) Any liability arising from injury or damage in connection with a permit issued by a state political subdivision if the liability is from operations performed for the state or political subdivision.
- (e) Any liability from "bodily injury" or "property damage" arising out of "your work" which is included in the "products-completed operations hazard."

This additional exclusion **A.3.(e)** does not apply with respect to such Vendors coverage as is provided under **A.2.(e)** above.

- (f) Any person or organization included as an insured under any other provision of Paragraph C., Who Is An Insured, or included as an additional insured by any endorsement to this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE FORM
GENERAL LIABILITY ADDITIONAL PROVISIONS FORM

A. Exclusion j. under Paragraph 2., Exclusions of Coverage A – Bodily Injury And Property Damage Liability Coverage – General Liability Coverage Form is replaced by the following:

2. Exclusions

This insurance does not apply to:

j. "Bodily injury" or "property damage," however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war; or
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

B. The following exclusion is added to Paragraph 2., Exclusions of Coverage B – Personal And Advertising Injury Liability Coverage - General Liability Coverage Form:

2. Exclusions

This insurance does not apply to:

"Personal and advertising injury," however caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war; or
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

C. Exclusion f. under Paragraph 3., Exclusions of Coverage A – Medical Expense Coverage – General Liability Additional Provisions Form does not apply. Medical payments due to war are now subject to Exclusion e. of Paragraph 3., Exclusions of Coverage A– Medical Expense Coverage – General Liability Additional Provisions Form since "bodily injury" arising out of war is now excluded under Coverage A – Bodily Injury And Property Damage Liability Coverage – General Liability Coverage Form.

POLICY NO.: 0331463-02-104136

04/01/20

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**ILLINOIS CHANGES - CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance under the General Liability Coverage Part.

A. Cancellation Common Policy Conditions is replaced by the following:

CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing to us advance written notice of cancellation.
2. We may cancel this policy by mailing to you written notice stating the reason for cancellation. If we cancel:
 - a. For nonpayment of premium, we will mail the notice at least ten (10) days prior to the effective date of cancellation.
 - b. For a reason other than nonpayment of premium, we will mail the notice at least:
 - (1) Thirty (30) days prior to the effective date of cancellation if the policy has been in effect for sixty (60) days or less.
 - (2) Sixty (60) days prior to the effective date of cancellation if the policy has been in effect for more than sixty (60) days.
3. If this policy has been in effect for more than sixty (60) days, we may cancel only for one or more of the following reasons:
 - a. Nonpayment of premium;
 - b. The policy was obtained through a material misrepresentation;
 - c. Any insured has violated any of the terms and conditions of the policy;
 - d. The risk originally accepted has measurably increased;
 - e. Certification of the Director of Insurance of the loss of reinsurance by the insurer that

provided coverage to us for all or a substantial part of the underlying risk insured; or

- f. A determination by the Director of Insurance that the continuation of the policy could place us in violation of the insurance laws of this State.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be less than pro rata. The cancellation will be effective even if we have not offered a refund.

- B.** The following is added and supersedes any provision to the contrary:

NONRENEWAL

If we decide not to renew or continue this policy, we will mail you, your agent or broker written notice, stating the reason for nonrenewal, at least 60 days before the end of the policy period. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.

C. Mailing of Notices

We will mail cancellation and nonrenewal notices to you, and the agent or broker, at the last addresses known to us. Proof of mailing will be sufficient proof of notice.

CRIME CONDITIONS FORM

This Crime Coverage Part is subject to the Common Policy Conditions, any other Conditions in any Crime Coverage Forms, and the following Conditions.

A. DISCOVERY PERIOD FOR LOSS

We will pay only for covered loss discovered no later than one year from the end of the policy period.

B. DUTIES IN THE EVENT OF LOSS

After you discover a loss or a situation that may result in loss of Covered Property, you must:

1. Notify us as soon as possible;
2. Submit to examination under oath at our request and give us a signed statement of your answers;
3. Give us a detailed, sworn proof of loss within 120 days;
4. Cooperate with us in the investigation and settlement of any claim;
5. Notify the police if you have reason to believe that any loss of, or loss from damage to, Covered Property involves a violation of law.

C. JOINT INSURED

1. If more than one insured is named in the Declarations Page, the first Named Insured will act for itself and for every other insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
2. If any insured or partner or officer of that insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every insured.
3. An employee of any insured is considered to be an employee of every insured.
4. If this insurance or any of its coverages is cancelled or terminated as to any insured, loss sustained by that insured is covered only if discovered no later than one year from the date of that cancellation or termination.
5. We will not pay more for loss sustained by

more than one insured than the amount we would pay if all the loss had been sustained by one insured.

D. LEGAL ACTION AGAINST US

1. You may not bring any legal action against us involving loss:
 - a. Unless you have complied with all the terms of this insurance; and
 - b. Until 90 days after you have filed proof of loss with us; and
 - c. Unless brought within 2 years from the date you discover the loss.

E. LOSS COVERED UNDER MORE THAN ONE COVERAGE OF THIS POLICY

1. If two or more coverages of the policy apply to the same loss, we will pay the lesser of:
 - a. The actual amount of loss; or
 - b. The sum of the Limits of Insurance applicable to those coverages.

F. COVERAGE TERRITORY

1. The coverage territory is:
 - a. The United States of America;
 - b. Puerto Rico; or
 - c. Canada.

G. LOSS COVERED UNDER THIS INSURANCE AND PRIOR INSURANCE ISSUED BY US OR ANY AFFILIATE

1. If any loss is covered:
 - a. Partly by this insurance; and
 - b. Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

POLICY NO.: 0331463-02-104136

04/01/20

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

H. NON-CUMULATION OF LIMIT OF INSURANCE

Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

I. OTHER INSURANCE

This insurance does not apply to loss recoverable or recovered under other insurance or indemnity.

J. POLICY PERIOD

1. The Policy Period is shown in the Declarations Page.
2. We will pay only for loss that you sustain through acts committed or events occurring during the Policy Period.

K. RECORDS

You must keep records of all Covered Property so we can verify the amount of any loss.

L. RECOVERIES

1. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:
 - a. To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the deductible amount, if any;

- b. Then to us, until we are reimbursed for the settlement made;
- c. Then to you, until you are reimbursed for that part of the loss equal to the deductible amount, if any.

2. Recoveries do not include any recovery:

- a. From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
- b. Of original "securities" after duplicates of them have been issued.

M. TRANSFER OF YOUR RIGHTS OF RECOVERY AGAINST OTHERS TO US

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

N. PRIVILEGE TO ADJUST WITH OWNER

In the event of covered loss involving property of others, we have the right to:

1. Settle the loss with the owners of the property. A receipt for payment from the owners of that property will satisfy any claim of yours.
2. Provide a defense for legal proceedings brought against you. If provided, the expense of this defense will be at our cost and will not reduce the applicable Limit of Insurance under this insurance.

POLICY NO.: 0331463-02-104136

PREMISES THEFT AND ROBBERY OUTSIDE THE PREMISES COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations Page. The words "we", "us" and "our" refer to Church Mutual Insurance Company.

The word "insured" means the Named Insured shown in the Declarations Page.

Other words and phrases that appear in quotation marks have special meaning. **Refer to Paragraph I - Definitions.**

A. COVERAGE

1. We will pay for loss of Covered Property resulting directly from the Covered Causes of Loss.

- a. Section 1 - Inside the Premises.

- (1) Covered Property, as used in this Section 1, means your "property other than money and securities" inside the "premises".

- (2) Covered Cause of Loss, as used in this Section 1, means "theft".

- b. Section 2 - Outside the Premises.

- (1) Covered Property, as used in this Section 2, means your "property other than money and securities" outside the "premises" in the care and custody of a "messenger".

- (2) Covered Cause of Loss, as used in this Section 2, means actual or attempted "robbery".

B. PROPERTY NOT COVERED

Covered Property does not include:

1. Vehicles or self-propelled machines (including automobiles, watercraft and aircraft) that:
 - a. Are operated principally away from the premises described in the Declarations Page; or
 - b. Are licensed for use on public roads.

C. PROPERTY LIMITATION

We will pay for loss of Covered Property that is a work of art, antique or rare article, including et-

chings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac. But the most we will pay is up to \$500 for any one "occurrence".

D. EXCLUSIONS

This insurance does not cover:

1. Loss resulting from seizure or destruction of property by order of governmental authority.
2. Loss that is an indirect result of any act or "occurrence" covered by this insurance, including but not limited to loss resulting from:
 - a. Your inability to realize income that you would have realized had there been no loss of Covered Property.
 - b. Payment of damages of any type for which you are legally liable. But, we will pay direct compensatory damages arising from a loss covered under this insurance.
 - c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
3. Expenses related to any legal action.
4. Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.
5. Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.
6. Loss resulting from any dishonest or criminal act committed by any of your "employees", directors, trustees or authorized representatives:
 - a. Acting alone or in collusion with other persons; or

- b. While performing services for you or otherwise.

7. Loss resulting from accounting or arithmetical errors or omissions.

8. Loss of property after it has been transferred or surrendered to a person or place outside the "premises";

- a. On the basis of unauthorized instructions; or

- b. As a result of a threat to do:

- (1) Bodily harm to any person; or

- (2) Damage to any property.

- c. But, this exclusion does not apply to loss of Covered Property while:

- (1) Outside the "premises" in the care and custody of a person authorized by you if you:

- (a) Had no knowledge of any threat at the time the conveyance began; or

- (b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

9. Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

10. Loss, or that part of any loss, the proof of which as to its existence or amount is based on an inventory computation or profit and loss computation.

11. Loss resulting from the giving or surrendering of property in any exchange or purchase.

12. Loss of "property other than money or securities":

- a. Resulting from fire; or

- b. During a fire at the "premises".

E. LIMIT OF INSURANCE

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown

in the Declarations Page.

F. DEDUCTIBLE

1. We will not pay for loss in any one "occurrence" until the amount of loss exceeds the Deductible shown in the Declarations Page. We will then pay the amount of loss in excess of the Deductible, up to the applicable Limit of Insurance.

2. Subject to 1. above, when two Coverage Forms of this policy apply to any one "occurrence", we will apply the deductibles of those Coverage Forms as follows:

- a. If the Coverage Forms have the same deductible amounts, we will apply only one deductible to the occurrence.

- b. If the Coverage Forms have different deductible amounts, we will:

- (1) Apply the deductible of the Coverage Form with the lowest deductible to that part of the loss covered by the Coverage Form; and will then

- (2) Reduce the deductible of the Coverage Form with the higher Deductible by the amount actually applied under (1) above; and will then

- (3) Apply the reduced deductible to that part of the loss covered by the Coverage Form containing the higher deductible.

G. LOSS CONDITION

The following Condition applies in addition to the Common Policy Conditions and Crime Conditions.

1. Subject to the applicable Limit of Insurance, we will pay for loss of "property other than money and securities" as follows:

- a. We will determine the value of Covered Property as of the time of loss at Actual Cash Value except as provided under 2. below. Actual Cash Value means the amount it would cost to repair or replace Covered Property with material of comparable kind and quality, less allowance for deterioration and depreciation, including obsolescence.

04/01/20

POLICY NO.: 0331463-02-104136

- b. We will not pay more for loss on an Actual Cash Value basis than the least of:
- (1) The Actual Cash Value of the property;
 - (2) Cost of repairing the lost property; or
 - (3) Cost to replace the lost property with property of comparable kind and quality.
2. We will determine the value of the below Covered Property as of the time of loss as follows:
- a. Manuscripts and valuable papers and records, including those which exist on electronic or magnetic media (other than prepackaged software programs) at the cost of:
 - (1) Blank materials for reproducing the manuscripts and valuable papers and records; and
 - (2) Labor to transcribe or copy the manuscripts and valuable papers and records when there is a duplicate.
 - b. Personal property that is a work of art, antique or rare article at market value. This does not increase the amount of the limitation on works of art, antiques and rare articles.
3. Any property that we pay for or replace under 1. or 2. above becomes our property.
- of, the armored motor vehicle company.
- This is not an additional amount of insurance.
2. Property Owned By Others.
- a. You may extend the insurance that applies under Section 1 - Inside the Premises, to apply to the same property:
 - (1) Owned by your officers, trustees, employees and guests; or
 - (2) Owned by others in your care, custody or control.
 - b. This extension does not apply:
 - (1) To property owned by others that is located in dwelling or living quarters.
 - (2) To "money" and "securities".
 - (3) If other insurance covers the same loss, except we will pay for the amount of loss we cover in excess of the amount due from that other insurance. We will not pay the amount due from that other insurance.
 - c. Our payment for loss of property of others:
 - (1) Will only be for the account of the owner of the property.
 - (2) Will not exceed the Actual Cash Value of the lost property.

H. COVERAGE EXTENSIONS

Each of the following Coverage Extensions are additional insurance unless otherwise indicated.

1. Conveyance of Property by Armored Motor Vehicle Company.
 - a. We will pay for loss of Covered Property resulting directly from the Covered Causes of Loss while outside the "premises" in the care and custody of an armored motor vehicle company. But, we will pay only for the amount of loss that you cannot recover:
 - (1) Under your contract with the armored motor vehicle company; and
 - (2) From any insurance or indemnity carried by, or for the benefit of customers
3. Additional Premises.
 - a. If you acquire the use and control of any additional "premises", any insurance afforded for your "premises" also applies to those additional premises, but only if you:
 - (1) Serve us notice within 30 days thereafter; and
 - (2) Pay us any additional premium that may be due.

The most we will pay for loss of property of any one person under this extension is up to \$500. The most we will pay for all loss under this extension is up to \$1,000 for any one "occurrence".

This is not an additional amount of insurance.

b. Travelers checks, register checks and money orders held for sale to the public.

I. DEFINITIONS

1. "Employee" means:

a. Any natural person:

- (1) While in your service (and for 30 days after termination of service); and
- (2) Whom you compensate directly by salary, wages or commissions; and
- (3) Whom you have the right to direct and control while performing services for you.

b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the "premises".

But, "employee" does not mean any:

- (1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Director or trustee except while performing acts coming within the scope of the usual duties of an "employee".

2. "Messenger" means you, any of your partners or any "employee" while having care and custody of the property outside the "premises".

3. "Money" means:

a. Currency, coins and bank notes in current use and having a face value; and

4. "Occurrence" means all loss whether:

- a. Caused by one or more persons; or
- b. Involving a single act or series of related acts.

5. "Premises" means the interior of that portion of any building you occupy in conducting your business.

6. "Property other than money and securities" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property listed as Property Not Covered.

7. "Robbery" means the taking of property from the care and custody of a person by one who has:

- a. Caused or threatened to cause that person bodily harm; or
- b. Committed an obviously unlawful act witnessed by that person.

8. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

9. "Theft" means any act of stealing.

POLICY NO.: 0331463-02-104136

THEFT, DISAPPEARANCE AND DESTRUCTION COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations Page. The words "we", "us" and "our" refer to Church Mutual Insurance Company.

The word "insured" means the Named Insured shown in the Declarations Page.

Other words and phrases that appear in quotation marks have special meaning. **Refer to Paragraph G - Definitions.**

A. COVERAGE

1. We will pay for loss of Covered Property resulting directly from the Covered Causes of Loss.

a. Section 1 - Inside the Premises.

(1) Covered Property, as used in this Section 1, means your "money" and "securities" inside the "premises" or a "banking premises".

(2) Covered Causes of Loss, as used in this Coverage Form, means:

- (a) "Theft";
- (b) Disappearance; or
- (c) Destruction.

b. Section 2 - Outside the Premises.

(1) Covered Property, as used in this Section 2, means your "money" and "securities" outside the "premises" in the care and custody of a "messenger".

(2) Covered Causes of Loss, as used in this Coverage Form, means:

- (a) "Theft";
- (b) Disappearance; or
- (c) Destruction.

but not limited to loss resulting from:

- a. Your inability to realize income that you would have realized had there been no loss of Covered Property.
 - b. Payment of damages of any type for which you are legally liable. But, we will pay direct compensatory damages arising from a loss covered under this insurance.
 - c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
3. Expenses related to any legal action.
 4. Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.
 5. Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.
 6. Loss resulting from any dishonest or criminal act committed by any of your "employees", directors, trustees or authorized representatives:
 - a. Acting alone or in collusion with other persons; or
 - b. While performing services for you or otherwise.
 7. Loss resulting from accounting or arithmetical errors or omissions.
 8. Loss of property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises";
 - a. On the basis of unauthorized instructions; or
 - b. As a result of a threat to do:

B. EXCLUSIONS

This insurance does not cover:

1. Loss resulting from seizure or destruction of property by order of governmental authority.
2. Loss that is an indirect result of any act or "occurrence" covered by this insurance, including

(1) Bodily harm to any person; or

(2) Damage to any property.

c. But, this exclusion does not apply to loss of Covered Property while:

(1) Outside the "premises" or "banking premises" in the care and custody of a person authorized by you if you:

(a) Had no knowledge of any threat at the time the conveyance began; or

(b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

9. Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

10. Loss resulting from the giving or surrendering of property in any exchange or purchase.

11. Loss of property contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

C. LIMIT OF INSURANCE

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the Declarations Page.

D. DEDUCTIBLE

1. We will not pay for loss in any one "occurrence" until the amount of loss exceeds the Deductible shown in the Declarations Page. We will then pay the amount of loss in excess of the Deductible, up to the applicable Limit of Insurance.

2. Subject to 1. above, when two Coverage Forms of this policy apply to any one "occurrence", we will apply the Deductibles of those Coverage Forms as follows:

a. If the Coverage Forms have the same deductible amounts, we will apply only one deductible to the occurrence.

b. If the Coverage Forms have different deductible amounts, we will:

(1) Apply the deductible of the Coverage

Form with the lowest deductible to that part of the loss covered by the Coverage Form; and will then

(2) Reduce the deductible of the Coverage Form with the higher Deductible by the amount actually applied under (1) above; and will then

(3) Apply the reduced deductible to that part of the loss covered by the Coverage Form containing the higher Deductible.

E. LOSS CONDITION

The following Condition applies in addition to the Common Policy Conditions and Crime Conditions.

1. Subject to the applicable Limit of Insurance, we will pay for:

a. Loss of "money" for not more than its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:

(1) At face value in the "money" issued by that country; or

(2) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.

b. Loss of "securities" for not more than their value at the close of business on the day the loss was discovered. We may, at our option:

(1) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities";

(2) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

(a) Value of the "securities" at the close of business on the day the loss was discovered; or

POLICY NO.: 0331463-02-104136

(b) Limit of Insurance.

2. Any property that we pay for or replace becomes our property.

F. COVERAGE EXTENSIONS

1. Conveyance of property by armored motor vehicle company.

a. We will pay for loss of Covered Property resulting directly from the covered causes of loss while outside the "premises" in the care and custody of an armored motor vehicle company. But, we will pay only for the amount of loss that you cannot recover:

- (1) Under your contract with the armored motor vehicle company; and
- (2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

This is not an additional amount of insurance.

2. Additional Premises.

a. If you acquire the use and control of any additional "premises", any insurance afforded for your "premises" also applies to those additional premises, but only if you:

- (1) Serve us notice within 30 days thereafter; and
- (2) Pay us any additional premium that may be due.

This is not an additional amount of insurance.

G. DEFINITIONS

1. "Banking Premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.

2. "Employee" means:

a. Any natural person:

- (1) While in your service (and for 30 days after termination of service); and
- (2) Whom you compensate directly by salary, wages or commissions; and
- (3) Whom you have the right to direct and

control while performing services for you.

- b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the "premises".

But "employee" does not mean any:

(1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

3. "Messenger" means you, any of your partners or any "employee" while having care and custody of the property outside the "premises".

4. "Money" means:

- a. Currency, coins and bank notes in current use and having a face value; and
- b. Travelers checks, register checks and money orders held for sale to the public.

5. "Occurrence" means all loss whether:

- a. Caused by one or more persons; or
- b. Involving a single act or series of related acts.

6. "Premises" means the interior of that portion of any building you occupy in conducting your business.

7. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

8. "Theft" means any act of stealing.

04/01/20

FORGERY OR ALTERATION COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations Page. The words "we", "us" and "our" refer to Church Mutual Insurance Company.

The word "insured" means the Named Insured shown in the Declarations Page.

Other words and phrases that appear in quotation marks have special meaning. **Refer to Paragraph G - Definitions.**

A. COVERAGE

1. We will pay for loss of Covered Instruments resulting directly from the Covered Cause of Loss.
2. Covered Instruments as used in this Coverage Form means checks, drafts, promissory notes or similar written promises, orders or directions to pay a sum certain in "money" that are:
 - a. Made or drawn by or drawn upon you;
 - b. Made or drawn by one acting as your agent;
 or that are purported to have been so made or drawn.
3. Covered Cause of Loss as used in this Coverage Form means forgery or alteration of, on or in any Covered Instrument.

istence or the amount of loss under this insurance.

3. Expenses related to any legal action, except as provided in the Coverage Extension.
4. Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.
5. Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.
6. Loss resulting from any dishonest or criminal acts committed by any of your "employees", directors or trustees:
 - a. Whether acting alone or in collusion with other persons; or
 - b. Whether while performing services for you or otherwise.

B. EXCLUSIONS

This insurance does not cover:

1. Loss resulting from seizure or destruction of property by order of governmental authority.
2. Loss that is an indirect result of any act or "occurrence" covered by this insurance, including but not limited to loss resulting from:
 - a. Your inability to realize income that you would have realized had there been no loss of Covered Property.
 - b. Payment of damages of any type for which you are legally liable. But, we will pay direct compensatory damages arising from a loss covered under this insurance.
 - c. Payment of costs, fees or other expenses you incur in establishing either the ex-

C. LIMIT OF INSURANCE

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the Declarations Page.

D. DEDUCTIBLE

We will not pay for loss in any one "occurrence" until the amount of loss exceeds the Deductible shown in the Declarations Page. We will then pay the amount of loss in excess of the Deductible, up to the applicable Limit of Insurance.

E. CONDITIONS

The following Conditions are in addition to the Common Policy Conditions and Crime Conditions.

1. Facsimile Signatures.

We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.

2. Proof of Loss.

You must include with your proof of loss any instrument involved in that loss, or if that is not possible, an affidavit setting forth the amount and cause of loss.

F. COVERAGE EXTENSION

1. Legal Expenses.

If you are sued for refusing to pay any Covered Instrument on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay any reasonable legal expenses that you incur and pay in that defense. The amount we will pay under this extension is in addition to the applicable Limit of Insurance.

- b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the "premises".

But "employee" does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character.

- c. If the Named Insured is shown in the Declarations Page as a religious institution, any duly elected or appointed natural person:

- (1) While in your service (and for 30 days after termination of service); and
- (2) Whom you can direct and control while performing services for you,

whether or not you compensate that person by salary, wages or commissions.

G. DEFINITIONS

1. "Employee" means:

a. Any natural person:

- (1) While in your service (and for 30 days after termination of service); and
- (2) Whom you compensate directly by salary, wages or commissions; or
- (3) Whom you have the right to direct and control while performing services for you.

2. "Money" means:

- a. Currency, coins and bank notes in current use and having a face value; and
- b. Travelers checks, register checks and money orders held for sale to the public.

3. "Occurrence" means all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.

BLANKET BOND COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations Page. The words "we", "us" and "our" refer to Church Mutual Insurance Company.

The word "insured" means the Named Insured shown in the Declarations Page.

Other words and phrases that appear in quotation marks have special meaning. **Refer to Paragraph G - Definitions.**

A. COVERAGE

1. We will pay for loss of and damage to Covered Property resulting directly from any Covered Cause of Loss.
 - a. Covered Property, as used in this Coverage Form, means your "money", "securities" and your "property other than money and securities".
 - b. Covered Cause of Loss, as used in this Coverage Form, means "employee dishonesty".

5. Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.
6. Loss resulting from accounting or arithmetical errors or omissions.
7. Loss caused by any "employee" for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.
8. Loss resulting from any dishonest or criminal act committed by you or any of your partners whether acting alone or in collusion with other persons.

B. EXCLUSIONS

This insurance does not cover:

1. Loss resulting from seizure or destruction of property by order of governmental authority.
2. Loss that is an indirect result of any act or "occurrence" covered by this insurance, including but not limited to loss resulting from:
 - a. Your inability to realize income that you would have realized had there been no loss of Covered Property.
 - b. Payment of damages of any type for which you are legally liable. But, we will pay direct compensatory damages arising from a loss covered under this insurance.
 - c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
3. Expenses related to any legal action.
4. Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.

9. Loss, or that part of any loss, the proof of which as to its existence or amount is dependent on:
 - a. An inventory computation; or
 - b. A profit and loss computation.

C. LIMIT OF INSURANCE

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the Declarations Page.

D. DEDUCTIBLE

We will not pay for loss in any one "occurrence" until the amount of loss exceeds the Deductible shown in the Declarations Page. We will then pay the amount of loss in excess of the Deductible, up to the applicable Limit of Insurance.

E. CONDITIONS

The following Conditions are in addition to the Common Policy Conditions and Crime Conditions.

1. Loss Conditions.

a. Subject to the applicable Limit of Insurance, we will pay for:

deterioration and depreciation, including obsolescence.

(1) Loss of "money" for not more than its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:

(b) We will not pay more for loss on an Actual Cash Value basis than the least of:

(a) At face value in the "money" issued by that country; or

1) The Actual Cash Value of the property;

(b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.

2) The cost of repairing the lost property; or

3) The cost to replace the lost property with property of comparable kind and quality.

(2) Loss of "securities" for not more than their value at the close of business on the day the loss was discovered. We may, at our option:

(4) We will determine the value of the below Covered Property as of the time of loss as follows:

(a) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities";

(a) Manuscripts and valuable papers and records, including those which exist on electronic or magnetic media (other than prepackaged software programs) at the cost of:

(b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

1) Blank materials for reproducing the manuscripts and valuable papers and records; and

2) Labor to transcribe or copy the manuscripts and valuable papers and records when there is a duplicate.

1) Value of the "securities" at the close of business on the day the loss was discovered; or

b. Any property that we pay for or replace under (1), (2), (3) or (4) above becomes our property.

2) Limit of Insurance.

2. Employee Cancellation Condition.

(3) Loss of "property other than money and securities", as follows:

a. This insurance is cancelled as to any "employee":

(a) We will determine the value of your "property other than money and securities" as of the time of loss at Actual Cash Value except as provided under (4) below. Actual Cash Value means the amount it would cost to repair or replace Covered Property with material of comparable kind and quality, less allowance for

(1) Immediately upon discovery by:

(a) You; or

(b) Any of your partners, officers or directors not in collusion with the "employee";

of any dishonest act committed by that "employee", whether before or after becoming employed by you.

POLICY NO.: 0331463-02-104136

- (2) On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing.

The mailing of notice to you at the last known address will be sufficient proof of notice. Delivery of notice is the same as mailing.

3. Loss Sustained During Prior Insurance.

- a. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or any predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance, provided:
- (1) This insurance became effective at the time of cancellation or termination of the prior insurance; and
 - (2) This loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.
- b. The insurance under this Condition is part of, not in addition to, the Limits of Insurance applying to this insurance and is limited to the lesser of the amount recoverable under:
- (1) This insurance as of its effective date; or
 - (2) The prior insurance had it remained in effect.

F. COVERAGE EXTENSIONS

1. Consolidation - Merger.

- a. If additional persons become your employees through consolidation or merger with, or purchase of assets of, some other entity, any insurance afforded for "employees" also applies to those additional employees, but only if you:
- (1) Give us notice within 30 days thereafter; and
 - (2) Pay us any additional premium that may be due.

This does not increase the amount of insurance.

2. Employees Temporarily Outside Coverage Territory.

We will pay for loss caused by any "employee" while temporarily outside the Coverage Territory for a period not more than 90 days.

G. DEFINITIONS

1. "Employee" means:

- a. Any natural person:
- (1) While in your service (and for 30 days after termination of service); and
 - (2) Whom you compensate directly by salary, wages or commissions; or
 - (3) Whom you have the right to direct and control while performing services for you.
- b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the "premises".
- But "employee" does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character.
- c. If the Named Insured is shown in the Declarations Page as a religious institution, "employee" also means any duly elected or appointed natural person:

- (1) While in your service (and for 30 days after termination of service); and
- (2) Whom you can direct and control while performing services for you,

whether or not you compensate that person by salary, wages or commissions.

2. "Employee dishonesty" means dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons, except you or a partner, with the manifest intent to:

- a. Cause you to sustain loss; and also

- b. Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (1) The "employee"; or
 - (2) Any person or organization intended by the "employee" to receive that benefit.
- 3. "Money" means:
 - a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
- 4. "Occurrence" means all loss caused by or involving one or more "employees", whether the result of a single act or series of acts.
- 5. "Property other than money and securities" means any tangible property other than "money" and "securities" that has intrinsic value.
- 6. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you,but does not include "money".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**ILLINOIS CHANGES**

This endorsement modifies insurance provided under the Crime Coverage Part.

A. Cancellation Common Policy Condition is replaced by the following:

1. The first Named Insured shown in the Declarations may cancel this policy by mailing to us advance written notice of cancellation.
2. **Cancellation of Policies in Effect 60 Days or Less**
 - a. We may cancel this policy by mailing to you written notice stating the reason for cancellation.
 - b. If we cancel for nonpayment of premium, we will mail the notice at least ten (10) days prior to the effective date of cancellation.
 - c. If we cancel for a reason other than nonpayment of premium, we will mail the notice at least:
 - (1) Thirty (30) days prior to the effective date of cancellation if the policy has been in effect for less than sixty (60) days.
 - (2) Sixty (60) days prior to the effective date of cancellation if the policy has been in effect for more than sixty (60) days.

3. 60 Days or More

If this policy has been in effect for more than sixty (60) days, we may cancel only for one or more of the following reasons:

- a. Nonpayment of premium;
- b. The policy was obtained through a material misrepresentation;
- c. Any insured has violated any of the terms and conditions of the policy;
- d. The risk originally accepted has measurably increased;

e. Certification to the Director of Insurance of the loss of reinsurance by the insurer that provided coverage to us for all or a substantial part of the underlying risk insured; or

f. A determination by the Director of Insurance that the continuation of the policy could place us in violation of the insurance laws of this State.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be less than pro rata. The cancellation will be effective even if we have not offered a refund.

B. The following is added and supersedes any provision to the contrary:

NONRENEWAL

If we decide not to renew or continue this policy, we will mail you, your agent or broker written notice, stating the reason for nonrenewal, at least 60 days before the end of the policy period. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.

C. Mailing of Notices

We will mail cancellation and nonrenewal notices to the last addresses known to us. Proof of mailing will be sufficient proof of notice.

- D. When forming a part of this policy, Crime Conditions Form, **Legal Action Against Us** Condition is replaced by the following:

LEGAL ACTION AGAINST US

You may not bring any legal action against us involving loss:

1. Unless you have complied with all the terms of this insurance; and
2. Until ninety (90) days after you have filed proof of loss with us; and
3. Unless brought within two (2) years from the date you discover the loss, but we will extend this two (2) year period by the number of days between the date proof of loss is filed and the date the claim is denied in whole or in part.

- E. The **Other Insurance** Condition is replaced by the following:

OTHER INSURANCE

You may have other insurance subject to the same plan, terms, conditions, and provisions as this insurance. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance bears to the Limits of Insurance of all insurance covering on the same basis.

If there is other insurance covering the same loss or damage, other than that described above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

SENIOR LIVING FACILITY PROFESSIONAL LIABILITY COVERAGE FORM

Your Senior Living Facility Professional Liability Coverage Form is Claims-Made Coverage. Please read the entire policy carefully.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations Page. The words "we," "us," and "our" refer to Church Mutual Insurance Company.

The word "insured" means any person or organization qualifying as an insured. **Refer to Paragraph C - Who Is An Insured.**

Other words and phrases that appear in quotation marks have special meaning. **Refer to Paragraph G - Definitions.**

A. SENIOR LIVING FACILITY PROFESSIONAL LIABILITY COVERAGE

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of injury to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for injury to which this insurance does not apply. We may, at our discretion, investigate any "professional health care incident" and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited. Refer to **Paragraph D - Limits of Insurance**; and
- (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under this Senior Living Facility Professional Liability Coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

b. This insurance applies to injury only if:

- (1) The injury is caused by a "professional health care incident" that takes place in the "coverage territory"; and

- (2) The "professional health care incident" did not occur before the Retroactive Date shown in the Declarations Page or after the end of the policy period; and

- (3) A "claim" for damages, with respect to the injury, is first made against any insured, in accordance with Paragraph c. below, during the policy period or an Extended Reporting Period we provide in accordance with Paragraph F. Extended Reporting Periods.

- c. A "claim" shall be considered to be first made at the earlier of the following times:

- (1) When notice of such "claim" is received by any insured or reported to us in writing; or

- d. All "claims" made by the same person and arising out of the same "professional health care incident" will be deemed to have been made at the time the first of those "claims" is made against any insured.

2. Exclusions.

This insurance does not apply to:

- a. Injury arising out of acts or omissions in the furnishing of or failure to furnish health care services to any individual resident by a physician or surgeon.
- b. Injury for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. But this exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

- c. Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.
- d. Injury arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading."
- e. Injury to:
 - (1) An employee of the insured arising out of and in the course of employment by the insured; or
 - (2) The spouse, child, parent, brother or sister of that employee as a consequence of (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.
- f. Injury arising out of any actual or alleged act of "sexual misconduct or sexual molestation." This includes, but is not limited to any "claim" or "suit" seeking damages based upon, arising out of, or attributable to vicarious liability; negligence in hiring, employment, supervision, retention, or transfer of any employee or volunteer workers; recommendation or referral of any person for employment or volunteer work; failure to protect or negligent supervision of any person (whether an adult or child) failure to warn, failure to investigate, or failure to comply with any obligation to report; and counseling.
- g. Injury arising out of a criminal act committed by or at the direction of any insured.

B. SUPPLEMENTARY PAYMENTS - SENIOR LIVING FACILITY PROFESSIONAL LIABILITY COVERAGE

- 1. We will pay, with respect to any "claim" or "suit" we defend:
 - a. All expenses we incur.

- b. The cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds.
- c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim" or "suit," including actual loss of earnings up to \$250 a day because of time off from work.
- d. All costs taxed against the insured in the "suit." For the purpose of this provision, costs do not include prejudgment interest or post judgement interest.
- e. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay or deposited in court the part of the judgment that is within the applicable Limit of Insurance.

These payments will not reduce the Limits of Insurance.

C. WHO IS AN INSURED

- 1. If you are designated in the Declarations Page as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture, or limited liability company:
 - (1) You are an insured.

(2) Your executive officers and directors are insureds, but only with respect to their duties as your officers or directors.

(3) Your stockholders are also insureds, but only with respect to their liability as stockholders.

2. Each of the following is also an insured:

- a. Your facility manager or administrator is an insured but only with respect to his or her duties as such. However, no facility manager or administrator is an insured for injury to you or your employee while in the course of his or her employment.
- b. Any person(s) who are professional health care volunteer worker(s) for you, are insureds, but only while acting at your direction and within the scope of their duties for you. However, none of these volunteers is an insured for injury to you or your employee while in the course of his or her employment.
- c. Any nurse employed by you, any student nurse under the direction of an insured and any other of your "professional health care employees" are insureds, but only with respect to their duties as such. However, no "professional health care employee" is an insured for injury to you or a co-employee while in the course of his or her employment.
- d. Your medical director is an insured but only with respect to his or her duties as such. However, no medical director is an insured for injury to you or your employee while in the course of his or her employment.
- e. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will be deemed to be a Named Insured if there is no other similar insurance available to that organization. However:

- (1) Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.
- (2) No organization is an insured for any injury that occurred before you acquired or formed the organization.

No physician or surgeon is an insured for acts or omissions in the furnishing of or failure to furnish personal health care services to any individual.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture, or limited liability company that is not shown as a Named Insured in the Declarations Page.

D. LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations Page and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. "Claims" made or "suits" brought; or
 - c. Persons or organizations making "claims" or bringing "suits."
2. The Senior Living Facility Professional Liability Aggregate Limit is the most we will pay for the sum of all damages because of injury included under this Senior Living Facility Professional Liability Coverage.
3. Subject to 2. above, the Senior Living Facility Professional Liability Each Claim Limit is the most we will pay for all damages because of injury arising out of the same "professional health care incident" regardless of the time period over which injuries occur.

The Limits of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations Page, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

E. SENIOR LIVING FACILITY PROFESSIONAL LIABILITY CONDITIONS

1. Bankruptcy.

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties in the Event of any "Professional Health Care Incident," "Claim," or "Suit."

- a. You must see to it that we are notified as soon as practicable of any "professional health care incident" which may result in a "claim." To the extent possible, notice should include:

- (1) How, when and where the "professional health care incident" took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature of the injury arising out of the "professional health care incident."

Notice of a "professional health care incident" is not notice of a "claim."

- b. If a "claim" is received by any insured, you must:

- (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" or "suit."

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement or defense of the "claim" or "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization, which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

3. Legal Action Against Us.

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial, but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance.

If other valid and collectible insurance is available to the insured for a loss we cover under the Senior Living Facility Professional Liability Coverage of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary. When this insurance is primary, our obligations are not affected unless any other insurers' insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Declarations Page of this insurance and applies to injury on other than a claims-made basis, if:

- (1) No Retroactive Date is shown in the Declarations Page of this insurance; or
- (2) The other insurance has a policy period which continues after the Retroactive Date shown in the Declarations Page of this insurance.

POLICY NO.: 0331463-02-104136

When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit." If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay, up to the applicable limits of insurance, the amount of the loss that exceeds the sum of the total amount that all such other insurance would pay for the loss in the absence of this insurance.

If other insurance is also excess, we will share the remaining loss with that other insurance by the method described in c, below.

c. Method of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable Limit of Insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable Limit of Insurance to the total applicable Limits of Insurance of all insurers.

5. Premium Audit.

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium for this Coverage is a deposit premium only. At the close of each audit period, we may compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request.

6. Representations.

By accepting the policy, you agree:

- a. The statements in the Declarations Page are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representation.

7. Separation of Insureds.

Except with respect to the Limits of Insurance and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom "claim" is made or "suit" is brought.

8. Transfer of Rights of Recovery Against Others To Us.

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. Two or More Coverages.

If two or more coverages of this policy apply to the same loss, the maximum amount we will pay as damages under all the coverages will not exceed the highest Limit of Insurance that applies to any one of the coverages.

10. Two or More Policies.

If two or more policies issued by us apply to the same insured and these policies also apply to the same loss, the maximum amount we will pay as damages under all the policies will not exceed the highest applicable Limit of Insurance that applies to any one of the policies.

This does not apply to any policy issued by us that is specifically written as excess insurance.

11. Limitation of Coverage.

If this Coverage Form is part of a policy which has other liability insurance, that other liability

insurance does not apply to any injury caused by any "professional health care incident" covered by this Coverage Form.

12. When We Do Not Renew.

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations Page written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

F. EXTENDED REPORTING PERIODS

1. We will provide the Extended Reporting Periods as described below if:

- a. This coverage form is cancelled or not renewed for any reason except nonpayment of premium; or
- b. We renew or replace this coverage form with insurance that;
 - (1) Has a retroactive date later than the one shown in the Declarations Page of this policy; or
 - (2) Does not apply to injury that arises out of a "Professional Health Care Incident" on a claims made basis.

2. Extended Reporting Periods do not extend the policy period, change the scope of coverage provided, or reinstate the Limits of Insurance. They apply only to "claims" for injury arising out of a "Professional Health Care Incident" that occurred before the end of the policy period but not before the retroactive date, if any, shown in the Declarations Page.

3. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 60 days.

"Claims" must be reported to us not later than 60 days after the end of the policy period in accordance with Senior Living Facility Professional Liability Conditions Subparagraphs 2.a. or 2.b. of this coverage form.

The Basic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance you purchase or that would be covered but for exhaustion of the amount of insurance applicable to such "claims."

4. A Supplemental Extended Reporting Period is available but only by endorsement and for an extra charge. This period starts after the end of the policy period.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due. We will determine the additional premium in accordance with our rules and rates. The premium will not exceed 200% of the annual premium for this coverage.

The endorsement will include a provision to the effect that the insurance afforded for "claims" first received during the supplemental Extended Reporting Period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period starts.

Once in effect, the Supplemental Extended Reporting Period may not be cancelled.

5. "Claims" which are first received and recorded during the Basic Extended Reporting Period (or during the Supplemental Extended Reporting Period, if it is in effect) will be deemed to have been made on the last day of the policy period.

G. DEFINITIONS

1. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment.

2. "Claim" means a "suit" or demand made by or for the injured person for monetary damages because of alleged injury to which this insurance applies.

3. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico, and Canada;
- b. International waters or airspace, provided the injury does not occur in the course of travel or transportation to or from anyplace not included in a. above; or
- c. All parts of the world if:
 - (1) The injury arises out of a "professional health care incident" caused by a person

whose home is in the territory described in a. above, but is away for a short time on your business; and

- (2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

4. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft, or "auto";
- b. While it is in or on an aircraft, watercraft, or "auto"; or
- c. While it is being moved from an aircraft, watercraft, or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft, or "auto."

5. "Professional health care incident" means:

- a. Any act, error, omission or failure:
 - (1) In the furnishing of "professional health care services." This includes furnishing of food, beverages, medications or appliances in connection with such services;
 - (2) In the handling of deceased human bodies;
 - (3) Arising out of service by any persons as members of a formal accreditation, standards review or similar board of the Named Insured or as a person who executes the duties of such board.
- b. Failure to comply with any right of a resident under any state or federal law regulating you as a resident health care facility;

- c. Failure to protect any resident from undue influence by an insured when such undue influence is to the personal detriment of the resident.

Any such act, error, omission or failure, together with all related acts, errors, omissions or failures in the furnishing of "professional health care services" to any one person, shall be considered one "professional health care incident" subject to the Each Claim Limit of Insurance in force at the time the first "professional health care incident" covered by this policy occurred.

6. "Professional health care employees" includes your professional employee(s) such as your nurses, student nurses, barbers, beauticians, and social workers.
7. "Professional health care services" means your professional medical, nursing, cosmetic, social, and similar professional services that relate to the care of your residents.
8. "Sexual misconduct or sexual molestation" is any activity by anyone (whether an adult or child) which is sexual in nature whether permitted or unpermitted, including but not limited to, sexual assault, sexual battery, sexual relations, sexual acts, sexual activity, sexual handling, sexual massage, sexual exploitation, sexual exhibition, photographic, video or other reproduction of sexual activity, sexual stimulation, fondling, intimacy, exposure of sexual organs, lewd, or lascivious behavior or indecent exposure, fornication, undue familiarity, or unauthorized touching.
9. "Suit" means a civil proceeding in which damages because of injury to which this insurance applies is alleged. "Suit" includes:
 - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

EMPLOYEE BENEFITS LIABILITY COVERAGE FORM

Your Employee Benefits Liability Coverage is Claims-Made Coverage. Please read the entire policy carefully.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations Page. The words "we," "us," and "our" refer to Church Mutual Insurance Company.

The word "insured" means any person or organization qualifying as an insured. **Refer to Paragraph D - Who Is An Insured.**

Other words and phrases that appear in quotation marks have special meaning. **Refer to Paragraph H - Definitions.**

A. EMPLOYEE BENEFITS LIABILITY COVERAGE

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of injury to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for injury to which this insurance does not apply. We may, at our discretion, investigate any "benefit incident" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited. **Refer to Paragraph E - Limits of Insurance;** and
- (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under this Employee Benefits Liability Coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

b. This insurance applies to injury only if:

- (1) The injury is caused by a "benefit incident" that takes place in the "coverage territory";
- (2) The "benefit incident" did not occur before the Retroactive Date, if any, shown in the Declarations Page or after the end of the policy period; and

- (3) A claim for damages because of the "benefit incident":

- (a) Involves the "administration" of an "employee benefits "program"; and
- (b) Is first made against any insured in accordance with Paragraph c. below by an employee or former employee (or other persons with a legal right to act on behalf of those employees) during the policy period or any Extended Reporting Period we provide under Extended Reporting Periods. **(Refer to Paragraph G - Extended Reporting Periods.)**

- c. A claim by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:

- (1) When notice of such claim is received and recorded by any insured or by us, whichever comes first; or
- (2) When we make settlement in accordance with Paragraph 1.a. above.

All claims for damages because of injury to the same person will be deemed to have been made at the time the first of these claims is made against any insured.

2. Exclusions.

This insurance does not apply to:

- a. Any dishonest, fraudulent, criminal or malicious act, libel, slander, discrimination, or humiliation.
- b. To "bodily injury" or "property damage".
- c. To any claim for failure of:
 - (1) Performance of contract by any insurer; or
 - (2) Any employee benefit program.
- d. Any obligation of the insured under a workers' compensation, disability benefits, or unemployment compensation law or any similar law.
- e. To any claim based upon:
 - (1) Failure of:
 - (a) Stock shares,
 - (b) Investment programs, or
 - (c) Savings programs
 to perform as represented by an insured.
 - (2) Advice given by an insured about being part of, or not being part of, any stock subscription plans or savings plans.
- f. To any claim based upon the insured's failure to procure or maintain adequate bonds or insurance on the assets of any "employee benefit program".
- g. To any claim based upon any actual or alleged error or omission or breach of duty, committed or alleged to have been committed by a trustee, in the discharge of fiduciary duties, obligations, or responsibilities imposed by the Federal Employee Retirement Income Security Act of 1974 or any amendments to that law.
- h. Any claim for exemplary or punitive damages.

B. DEDUCTIBLE

We will not pay for any damages until the amount of damages exceeds the deductible shown in the Declarations Page. We will then pay the amount of damages in excess of the deductible, up to the applicable Limit of Insurance.

C. SUPPLEMENTARY PAYMENTS - EMPLOYEE BENEFITS LIABILITY COVERAGE

1. We will pay, with respect to any claim or "suit" we defend:
 - a. All expenses we incur.
 - b. The cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds.
 - c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
 - d. All costs taxed against the insured in the "suit." For the purpose of this provision, costs do not include prejudgment interest or post judgement interest.
 - e. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay or deposited in court the part of the judgment that is within the applicable Limit of Insurance.

These payments will not reduce the Limits of Insurance.

D. WHO IS AN INSURED

1. Each of the following is an insured:
 - a. The first Named Insured as shown in the Declarations Page is an insured.
 - b. Your executive officers and directors are insureds, but only with respect to their duties as such.

04/01/20

POLICY NO.: 0331463-02-104136

- c. Your stockholders are insureds, but only with respect to their liability as stockholders.
- d. Any of your employees or volunteers are insureds, but only if authorized to act in the "administration" of your "employee benefit programs".

E. LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations Page and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The Employee Benefits Liability Aggregate Limit is the most we will pay for all damages because of injury included under this Employee Benefits Liability Coverage.
3. Subject to 2. above, the Employee Benefits Liability Each Claim Limit is the most we will pay for all damages because of injury sustained by any one person.

The Limits of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations Page, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

F. EMPLOYEE BENEFITS LIABILITY CONDITIONS

1. Bankruptcy.

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties in the Event of a "Benefit Incident," Claim, or "Suit."

- a. You must see to it that we are notified as soon as practicable of any "benefit incident" which may result in a claim. To the extent possible, notice should include:

- (1) How, when, and where the "benefit incident" took place;

- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature of the injury arising out of the "benefit incident".

Notice of a "benefit incident" is not notice of a claim.

- b. If a claim is received by any insured, you must:

- (1) Immediately record the specifics of the claim and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses, or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement, or defense of the claim or "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

3. Legal Action Against Us.

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial, but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

4. Other Insurance.

If other valid and collectible insurance is available to the insured for a loss we cover under the Employee Benefits Liability Coverage of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance.

This insurance is primary except when b. below applies. When this insurance is primary, our obligations are not affected unless any other insurers' insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance.

This insurance is excess over any of the other insurance, whether primary, excess, contingent, or on any other basis:

- (1) That is effective prior to the beginning of the policy period shown in the Declarations Page of this insurance and applies to a "benefit incident" on other than a claims-made basis if:

- (a) No Retroactive Date is shown in the Declarations Page of this insurance; or
- (b) The other insurance has a policy period which continues after the Retroactive Date shown in the Declarations Page of this insurance.

When this insurance is excess, we will have no duty under this Employee Benefits Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations Page of this Coverage Part.

c. Method of Sharing.

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable Limit of Insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable Limit of Insurance to the total applicable Limits of Insurance of all insurers.

5. Premium Audit.

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium for this Coverage is a deposit premium only. At the close of each audit period, we may compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request.

04/01/20

POLICY NO.: 0331463-02-104136

6. Representations.

By accepting the policy, you agree:

- a. The statements in the Declarations Page are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representation.

7. Separation of Insureds.

Except with respect to the Limits of Insurance and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer of Rights of Recovery Against Others To Us.

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. Limitation of Coverage.

If this Coverage Form is part of a policy which has other liability insurance, that other liability insurance does not apply to any injury caused by any "benefit incident" covered by this Coverage Form.

10. When We Do Not Renew.

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations Page written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

G. EXTENDED REPORTING PERIODS

1. We will provide the Extended Reporting Periods as described below if:

- a. This Coverage Part is cancelled or not renewed; or
- b. We renew or replace this Coverage Part with insurance that:
 - (1) Has a retroactive date later than the one shown in the Declarations Page of this Coverage Part; or
 - (2) Does not apply to injury that arises out of "benefit incidents" on a claims-made basis.

2. Extended Reporting Periods do not extend the policy period, change the scope of coverage provided, or reinstate the Limits of Insurance. They apply only to claims for injury arising out of "benefit incidents" that occur before the end of the policy period but not before the retroactive date, if any, shown in the Declarations Page.

3. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 60 days.

Claims must be reported to us not later than 60 days after the end of the policy period in accordance with Subparagraphs 2.a. or 2.b., Paragraph F., of this Coverage Form.

The Basic Extended Reporting Period does not apply to claims that are covered under any subsequent insurance you purchase or that would be covered but for exhaustion of the amount of insurance applicable to such claims.

4. A Supplemental Extended Reporting Period of unlimited duration is available but only by endorsement and for an extra charge. This period starts 60 days after the end of the policy period. You must give us a written request for the endorsement within 60 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due. We will determine the additional premium in accordance with our rules and rates.

The endorsement will include a provision to the effect that the insurance afforded for claims first received during the Supplemental Extended Reporting Period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting period starts.

Once in effect, the Supplemental Extended Reporting Period may not be cancelled.

5. Claims which are first received and recorded during the Basic Extended Reporting Period (or during the Supplemental Extended Reporting Period, if it is in effect) will be deemed to have been made on the last day of the policy period.

travel or transportation to or from any place not included in a. above.

5. "Employee benefit programs" means:

- a. Group life insurance,
- b. Group accident or health insurance,
- c. Profit sharing plans,
- d. Pension plans,
- e. Employee stock subscription plans,
- f. Social security,
- g. Disability benefits insurance, and
- h. Travel, savings, and vacation plans.

6. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property; or
- b. Loss of use of tangible property that is not physically injured.

7. "Suit" means a civil proceeding in which damages because of injury to which this insurance applies is alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

H. DEFINITIONS

1. "Administration" means:

- a. Counseling employees about "employee benefit programs";
- b. Interpreting "employee benefit programs";
- c. Handling "employee benefit program" records; and
- d. The enrollment, termination, or cancellation of your employees under "employee benefit programs."

2. "Benefit incident" means acts or omissions in the "administration" of your "employee benefits programs". Any such act or omission together with all related acts or omissions in the "administration" of "employee benefit programs" to any one person shall be considered one claim subject to the Each Claim Limit of Insurance in force at the time the first act or omission covered by this policy occurred.

3. "Bodily injury" means bodily injury, sickness, or disease sustained by a person including death resulting from any of these at any time.

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico, and Canada; or
- b. International waters or airspace, provided the injury does not occur in the course of

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - EXCLUDED OPERATION(S)

This endorsement modifies insurance provided under the Professional Liability Coverage Part.

The following is added for all coverages of the Senior Living Facility Professional Liability Coverage Form.

A. EXCLUSION - EXCLUDED OPERATION(S)

1. This insurance does not apply to injury caused by a "professional health care incident" to any person arising out of any excluded operation(s) shown in the applicable schedule of the Declarations Page.

Refer to the Declarations Page to determine the excluded operation(s).

EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM

Except for the insurance provided by this coverage form, the policy to which this coverage form is attached does not apply to any claim or "suit" seeking damages arising out of any "wrongful employment practice".

YOUR EMPLOYMENT PRACTICES LIABILITY COVERAGE IS CLAIMS-MADE COVERAGE. "DEFENSE EXPENSES" ARE INCLUDED IN THE LIMIT OF INSURANCE.

PLEASE READ THE ENTIRE POLICY CAREFULLY.

Various provisions in this Coverage Form restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and is not covered.

Throughout this Coverage Form, the words "you" and "your" refer to the Named Insured shown in the Declarations Page. The words "we", "us", and "our" refer to Church Mutual Insurance Company.

The word "insured" means any person or organization qualifying as an insured. **Refer to Section D. WHO IS AN INSURED.**

Other words and phrases that appear in quotation marks have special meaning. **Refer to Section H. DEFINITIONS.**

A. EMPLOYMENT PRACTICES LIABILITY COVERAGE

1. Insuring Agreement

a. We will pay on your behalf those sums that an insured becomes legally obligated to pay for "loss" arising from any claim or claims because of injury arising out of a "wrongful employment practice" to which this insurance applies.

b. We have the right and duty to defend the insured against any "suit" seeking payment for "loss". Our duty to defend includes payment of "defense expenses". However, we will have no duty to defend the insured against any "suit" seeking payment for "loss" to which this insurance does not apply. We may, at our discretion, investigate any "wrongful employment practice" and settle any claim or "suit" that may result, but:

(1) The amount we will pay for "loss" and "defense expenses" is

limited. Refer to Limit of Insurance; and

(2) Our right and duty to defend and to pay "defense expenses" end when we have used up the Limit of Insurance in the payment of "defense expenses", judgments, or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

c. This insurance applies to "loss" because of injury only if:

(1) The injury is caused by a "wrongful employment practice" that takes place in the "coverage territory";

(2) The "wrongful employment practice" did not occur before the Retroactive Date, if any, shown in the Declarations Page or after the end of the policy period; and

- (3) A claim will be deemed to have been made at the earlier of the following times:

(a) When notice of such claim, after being received by any insured, is reported to us in writing; or

(b) When a claim against an insured is made directly to us in writing.

A claim received by the insured during the policy period and reported to us within 30 days after the end of the policy period will be considered to have been reported within the policy period. However, this 30-day grace period does not apply to claims that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such claims.

All claims for "loss" arising out of the same general factual circumstances will be deemed to be one claim and to have been made at the time the first of these claims is made against any insured.

2. Exclusions

This insurance does not apply to:

a. Pollution

- (1) Any claim for injury or "loss" based on, attributable to, or arising out of the actual, alleged, or threatened discharge; dispersal; seepage; migration; release; or escape of pollutants at any time.
- (2) Any "loss", cost, or expense arising out of any:
 - (a) Request, demand, or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of pollutants; or

- (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous, or thermal irritant, or contaminant, including (but not limited to) smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

b. "Bodily Injury" and "Property Damage"

Any claim based on, attributable to, or arising out of any "bodily injury" or "property damage".

c. "Sexual Misconduct or Sexual Molestation", and "Counseling Incident"

Any claim based on, attributable to, or arising out of:

- (1) Any actual or alleged act of "sexual misconduct or sexual molestation". This includes, but is not limited to, any claim or "suit" seeking damages based on, arising out of, or attributable to vicarious liability; negligence in hiring, employment, supervision, retention, or transfer of any "employee" or volunteer worker; recommendation or referral of any person for employment or volunteer work; failure to protect or negligent supervision of any person (whether an adult or child) failure to warn, failure to investigate, or failure to comply with any obligation to report; and counseling.

(2) A "counseling incident".

d. Violation of Laws Applicable to Employers

Any claim based on, attributable to, or arising out of:

- (1) The Employee Retirement Income Security Act of 1974, Public Law 93-406, and any amendments to that law;
- (2) Any state, local, common, or federal law that is similar to Public Law 93-406 or
- (3) Any claim based on, attributable to, or arising out of any violation of any insured's responsibilities or duties required by any other federal, state, or local statutes, rules, or regulations, and any rules or regulations promulgated therefor or amendments thereto. However, this exclusion does not apply to: Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, the Age Discrimination in Employment Act, the Equal Pay Act, the Pregnancy Discrimination Act of 1978, the Immigration Reform and Control Act of 1986, the Family and Medical Leave Act of 1993, and the Genetic Information Nondiscrimination Act of 2008 or to any rules or regulations promulgated under any of the foregoing and amendments thereto or any similar provisions of any federal, state, or local law.
- (4) This exclusion also applies to any rules or regulations promulgated under any of the foregoing and amendments thereto or any similar provisions of any federal, state, or local law.

e. Failure to Comply

Any claim based on, attributable to, or arising out of your failure to comply

with any of the accommodations for the disabled required of you by, or any expenses incurred as the result of physical modifications made to accommodate any person pursuant to, the Americans With Disabilities Act, or any amendments thereto, or any similar state or local statutes, rules, or regulations to the extent that they prescribe responsibilities or duties concerning the same acts or omissions.

Exclusions d., e., and f. do not apply to any claim for retaliatory treatment by an insured against any person making a claim pursuant to such person's rights under any statutes, rules, or regulations.

f. Employment Laws

Any obligation of the insured under a workers' compensation, disability benefits, or unemployment compensation law, or any similar law.

g. Breach of Contract of Employment

Any claim based on, attributable to, or arising out of any actual or alleged breach of any express contract of employment or any express obligation to make payments in the event of termination of employment.

h. Contract

Any claim based on, attributable to, or arising out of any actual or alleged obligation of the insured to pay "loss" by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "loss" the insured would have in the absence of the contract or agreement.

i. Americans With Disability Act

Any claim based on, attributable to, or arising out of any actual or alleged obligation of to provide any costs of

providing any of the reasonable accommodations required by (or made as a result of) the Americans With Disabilities Act.

j. Dishonest, Criminal or Fraudulent Acts

Any claim based on, attributable to, or arising out of any actual or alleged dishonest, criminal, or fraudulent acts, or the willful failure to comply with any law or any governmental or administrative order, or regulation relating to employment practices by or with the insured's consent. Willful means acting with intentional or reckless disregard of such laws or employment related orders or regulations.

k. Prior or Pending Litigation

Any claim based on, attributable to or arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, or situation:

- (1) Underlying or alleged in any prior and/or pending litigation as of the inception date of this policy or
- (2) Which has been the subject of any notice given to any insurer before the inception date of this coverage.

l. Labor Disputes

Any claim based on, attributable to, or arising out of, any lockout, strike, collective bargaining agreement, or other similar actions in connection with labor disputes, labor negotiations, or dealing with unions.

m. Violation of Laws

Any claim based on, attributable to, or arising out of any actual or alleged violation of the Fair Labor Standards Act, the National Labor Relations Act of 1938, the Worker Adjustment and Retraining Notification Act

(Public Law 100-37991988), the Consolidated Omnibus Budget Reconciliation Act of 1985, or the Occupational Safety and Health Act. This exclusion also applies to any rules or regulations promulgated under any of the foregoing and amendments thereto or any similar provisions of any federal, state, or local law, and to that part of any damages awarded for the cost or replacement of any insurance benefits due or alleged to be due to any current or former "employee".

B. RETENTION

We will not pay for any "loss" until the amount of "loss" exceeds the retention shown in the Declarations Page. We will then pay the amount of "loss" in excess of the retention, up to the applicable Limit of Insurance.

C. SUPPLEMENTARY PAYMENTS - EMPLOYMENT PRACTICES LIABILITY COVERAGE

1. If we defend, we will pay, with respect to any claim or "suit" we defend:
 - a. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - b. All interest on our portion of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.

These payments will not reduce the Limit of Insurance.

D. WHO IS AN INSURED

Each of the following is an insured:

1. You are an insured.

POLICY NO.: 0331463-02-104136

2. Any person named or occupying a position shown in the applicable schedule of the Declarations Page is an insured.
3. Your past, present, or future directors, officers, trustees, "employees", clergy, wardens, deacons, elders, or members of duly elected, appointed, or constituted governing bodies; and, in the event of death, incapacity, or bankruptcy, the estate, heirs, legal representatives, or assigns of the individual; all while acting within the scope of their duties as such.
4. Any organization over which you maintain ownership or majority interest are insureds but only if that organization is shown in the applicable schedule of the Declarations Page for such organization, its past, present, or future directors, officers, trustees, "employees", clergy, wardens, deacons, elders, or members of duly elected, appointed, or constituted governing bodies.

Any organization that you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest are insureds if they have no other similar insurance available to them for such organization, its past, present, or future directors, officers, trustees, "employees", clergy, wardens, deacons, elders, or members of duly elected, appointed, or constituted governing bodies. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.
- b. Neither the organization nor its insured persons is an insured for any injury or "wrongful employment practice" that occurred before you acquired or formed the organization.

E. LIMIT OF INSURANCE

1. The Limit of Insurance shown in the Declarations Page and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The Employment Practices Liability Aggregate Limit:
 - a. Is the most we will pay for the sum of:
 - (1) All "loss"; and
 - (2) All "defense expenses" for claims and "suits" seeking damages.

Each payment we make for "loss" and "defense expenses" reduces the Limit of Insurance by the amount we pay. This reduced Limit of Insurance will then be available for further "loss" and "defense expenses".

The Limit of Insurance applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations Page unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Insurance.

"Loss" arising out of the same "wrongful employment practice" or interrelated, repeated, or continuous "wrongful employment practice" of one or more insured shall be deemed one "loss" in the policy period in which the first such claim or "wrongful employment practice" is first reported to the insurer.

04/01/20

F. EMPLOYMENT PRACTICES LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this coverage form.

2. Duties in the Event of Any "Wrongful Employment Practice", Claim, or "Suit"

a. You must see to it that we are notified as soon as practicable of any "wrongful employment practice" which may result in a claim. To the extent possible, notice should include:

- (1) How, when, and where the "wrongful employment practice" took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature of the injury arising out of the "wrongful employment practice".

Notice of a "wrongful employment practice" is not notice of a claim.

b. If a claim is received by any insured, you must:

- (1) Immediately record the specifics of the claim and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses, or legal papers

received in connection with the claim or "suit";

(2) Authorize us, upon our request, to obtain records and other information;

(3) Cooperate with us, upon our request, in the investigation, settlement, or defense of the claim or "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

3. Legal Action Against Us

No person or organization has a right under this coverage form:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

b. To sue us on this coverage form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial, but we will not be liable for "loss" that is not payable under the terms of this coverage form or that is in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a "loss" we

POLICY NO.: 0331463-02-104136

cover under the Employment Practices Liability Coverage of this form, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary. When this insurance is primary, our obligations are not affected unless any other insurers' insurance is also primary. Then we will share with all other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent, or on any other basis:

- (1) That is effective prior to the beginning of the policy period shown in the Declarations Page of this insurance and applies to a "wrongful employment practice" on other than a claims-made basis if:
 - (a) No Retroactive Date is shown in the Declarations Page of this insurance; or
 - (b) The other insurance has a policy period which continues after the Retroactive Date shown in the Declarations Page of this insurance.

When this insurance is excess, we will have no duty under this Employment Practices Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we may elect to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the "loss", if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the "loss" in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining "loss", if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations Page of this policy.

c. Method of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable Limit of Insurance or none of the "loss" remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable Limit of Insurance to the total applicable Limits of Insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this coverage in accordance with our rules and rates.
- b. Premium for this coverage is a deposit premium only. At the close of each audit period, we may compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the deposit and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.

- c. The first Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request.

6. Representations

You represent that all information and statements contained in the "application" are true, accurate, and complete. All such information and statements are the basis for our issuing this policy and shall be considered as incorporated into and shall constitute a part of this policy.

Misrepresentation of any material fact may be grounds for the rescission of this Policy.

7. Separation of Insureds

Except with respect to the Limits of Insurance and any rights or duties specifically assigned in this coverage form to the first Named Insured, when this insurance applies, it applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer of Rights of Recovery Against Others to Us

If the insured has rights to recover all or part of any payment we have made under this coverage form, those rights are transferred to us. The insured must do nothing after "loss" to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When Our Duty to Defend "Suits" and to Pay "Defense Expenses" Ends

- a. We will notify the first Named Insured as soon as practicable of any outstanding claims or "suits" for which our duty to defend has ended.

- b. We will notify any insured, as soon as practicable, of any outstanding "suits" in which we are defending that insured and for which our duty to defend has ended.

- c. You and any other involved insured will, as soon as practicable, arrange for the defense of those outstanding "suits" and any future "suits" for which our duty to defend has ended.

- d. We will cooperate in arranging for the transfer of defense of those outstanding "suits".

- e. Until those arrangements are complete, we will take on behalf of the insured those steps we think appropriate:

- (1) To avoid a default in any "suit"; or

- (2) To the continued defense of any "suit" and you will reimburse us, if we take such steps, for any "defense expenses" we pay.

10. Limitation of Coverage

- a. If the coverage form is part of a policy which has other liability insurance that other liability insurance does not apply to any injury caused by any "wrongful employment practice" covered by this coverage form.
- b. If two or more policies issued by us apply to the same "wrongful employment practice", the maximum amount we will pay for "loss" under all the policies will not exceed the highest applicable Limit of Insurance that applies to any one of the policies.

11. When We Do Not Renew

If we decide not to renew this coverage form, we will mail or deliver to the first Named Insured shown in the Declarations Page written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

G. EXTENDED REPORTING PERIODS

1. We will provide the Extended Reporting Periods as described below if:
 - a. This coverage form is cancelled or not renewed for any reason except nonpayment of premium; or
 - b. We renew or replace this coverage form with insurance that:
 - (1) Has a retroactive date later than the one shown in the Declarations Page of this policy; or
 - (2) Does not apply to injury that arises out of "wrongful employment practices" on a claims-made basis.
2. Extended Reporting Periods do not extend the policy period, change the scope of coverage provided, or reinstate the Limits of Insurance. They apply only to claims for injury arising out of "wrongful employment practices" that are committed before the end of the policy period but not before the retroactive date, if any, shown in the Declarations Page.
3. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 90 days.

Claims must be reported to us in writing not later than 90 days after the end of the policy period in accordance with Employment Practices Liability conditions, Paragraphs 2.b. and 2 c., of this coverage form.

The Basic Extended Reporting Period does not apply to claims that are covered under any subsequent insurance you purchase or that would be covered but for exhaustion of the amount of insurance applicable to such claims.

4. A Supplemental Extended Reporting Period for a three year duration is available but only by endorsement and for an extra charge. This period starts 90 days after the end of the policy period.

You must give us a written request for the endorsement within 90 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due. We will determine the additional premium in accordance with our rules and rates.

The endorsement will include a provision to the effect that the insurance afforded for claims first received during the Supplemental Extended Reporting Period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period starts.

Once in effect, the Supplemental Extended Reporting Period may not be cancelled, and the premium will be fully earned.

5. Claims which are made during the Basic Extended Reporting Period (or during the Supplemental Extended Reporting Period, if it is in effect) will be deemed to have been made on the last day of the policy period.

H. DEFINITIONS

1. "Application" means the signed application for this policy or for any policy that this policy renews, replaces, or succeeds in time, including any attachments and other materials submitted with or requested in conjunction with the signed application.
2. "Bodily injury" means bodily injury, sickness, or disease sustained by a person, including death resulting from any of these at any time.
3. "Counseling incident" means any act or omission in the furnishing of counseling services.

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico, and Canada;
- b. All parts of the world if the injury arises out of the activities of an insured whose home is in the territory described in a. above and whose responsibility to pay damages is determined in a "suit" on the merits in the territory described in a. above or in a settlement we agree to.

5. "Defense expenses" means actual payments made as part of the defense of a claim or "suit" and includes:

- a. Fees and salaries of attorneys and paralegals we retain.
- b. Fees of attorneys the insured retains when by mutual agreement, court order, or law the insured is given the right to retain defense counsel to defend a "suit".
- c. All other reasonable and necessary litigation expenses.
- d. The cost of bonds to release attachments or similar bonds in any "suit", but only for bond amounts within the Limit of Insurance. We do not have to furnish these bonds.
- e. Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit" including actual loss of earnings up to \$250 a day because of time off from work.
- f. Costs taxed against the insured in the "suit". For the purpose of this coverage, costs do not include prejudgment interest or post judgment interest.

"Defense expenses" does not include salaries and expenses of our "employees" or the insured's "employees" (other than those described

in a. and e. above) and does not include fees and expenses of independent adjusters we hire.

6. "Discrimination" means violation of a person's civil rights with respect to such person's race, color, national origin, religion, gender, marital status, age, sexual orientation or preference, physical or mental condition, or any other protected class or characteristic established by any federal, state or local statutes, rules or regulations.

7. "Employee" includes a leased worker and a temporary worker but does not include an independent contractor.

8. "Loss" means damages, monetary settlement amounts, and "defense expenses" incurred in the defense of a claim or "suit". "Loss" does not include fines, taxes, penalties, nonmonetary damages, injunctive relief, or declaratory relief.

9. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property; or
- b. Loss of use of tangible property that is not physically injured.

10. "Sexual harassment" means unwelcome sexual advances; requests for sexual favors; or other verbal, visual, or physical conduct of a sexual nature that are implied or presented as a condition of employment; are used as a basis for employment decisions; or creates a work environment that interferes with job performance or creates an intimidating, hostile, or offensive working environment.

11. "Sexual misconduct or sexual molestation" is any activity by anyone (whether an adult or child) which is sexual in nature whether permitted or unpermitted, including, but not limited to, sexual assault; sexual battery; sexual relations; sexual acts; sexual activity; sexual handling; sexual massage; sexual

exploitation; sexual exhibition; photographic, video, or other reproduction of sexual activity; sexual stimulation; fondling; intimacy; exposure of sexual organs; lewd, or lascivious behavior or indecent exposure; fornication; undue familiarity; or unauthorized touching.

12. "Suit" means a civil proceeding in which a "loss" because of injury to which this insurance applies is alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

13. "Wrongful Employment Practice" means any actual or alleged:

- a. Wrongful termination, discharge, or dismissal of employment, whether actual or constructive;
- b. Employment discrimination because of race, color, sex, age, national origin, religion, or disability;

- c. Harassment or "sexual harassment";
- d. Wrongful failure to employ or promote, wrongful discipline or demotion;
- e. Employment related false arrest, wrongful detention or imprisonment, malicious prosecution, libel, slander, defamation of character, or invasion of privacy;
- f. Wrongful denial of training, wrongful deprivation of career opportunity or breach of employment contract;
- g. Coercing an "employee" to commit an unlawful act or omission within the scope of that person's employment; or
- h. Verbal, physical, mental or emotional abuse arising from "discrimination".

Claims arising out of the same "wrongful employment practice" or interrelated "wrongful employment practices" of one or more persons insured shall be considered one "loss" and shall be subject to only one retention.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CORPORATE ENTITY ENDORSEMENT

This endorsement modifies insurance provided under the Professional Liability Coverage Part.

If the first Named Insured under this policy operates as a specific unit that is part of a corporate entity, then the insurance provided by this policy applies only to the premises and operations of the first Named Insured.

This insurance does not apply to the corporate entity or to any other premises or operations of any other unit of the corporate entity unless such unit or entity is specifically named as an additional insured under this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**ILLINOIS CHANGES - CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance under the Professional Liability Coverage Part.

- A.** The **Cancellation** Common Policy Conditions is replaced by the following:

CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing to us advance written notice of cancellation.
2. We may cancel this policy by mailing to you written notice stating the reason for cancellation. If we cancel for:
 - a. Nonpayment of premium, we will mail the notice at least ten (10) days prior to the effective date of cancellation.
 - b. Any reason other than nonpayment of premium, we will mail the notice at least:
 - (1) Thirty (30) days prior to the effective date of cancellation if the policy has been in effect for sixty (60) days or less.
 - (2) Sixty (60) days prior to the effective date of cancellation if the policy has been in effect for more than sixty (60) days.
3. If this policy has been in effect for more than sixty (60) days, we may cancel only for one or more of the following reasons:
 - a. Nonpayment of premium;
 - b. The policy was obtained through a material misrepresentation;
 - c. Any insured has violated any of the terms and conditions of the policy;

- d. The risk originally accepted has measurably increased;

- e. Certification of the Director of Insurance of the loss of reinsurance by the insurer that provided coverage to us for all or a substantial part of the underlying risk insured; or

- f. A determination by the Director of Insurance that the continuation of the policy could place us in violation of the insurance laws of this State.

- B.** The following is added and supersedes any provision to the contrary:

NONRENEWAL

If we decide not to renew or continue this policy, we will mail you, your agent or broker written notice, stating the reason for nonrenewal, at least 60 days before the end of the policy period. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.

C. Mailing of Notices

We will mail cancellation and nonrenewal notices to the last addresses known to us. Proof of mailing will be sufficient proof of notice.

**THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.**

ILLINOIS CHANGES

This endorsement modifies insurance provided under the following:

PROFESSIONAL LIABILITY COVERAGE PART (CLAIMS-MADE VERSION)

1. The following condition is added:

Your Right to Claim And Professional Incident, Act, or Practice Information

- a. Subject to Paragraph e. below, we will provide the first Named Insured shown in the Declarations, within thirty (30) days of the insured's written request or at the same time as any notice of cancellation or nonrenewal, the following claim and "professional incident, act, or practice" information relating to claims-made Coverage Parts we have issued to you within the last three years:

- (1) Information concerning closed claims limited to the date and description of "professional incident, act, or practice" and total amount of payments, if any;
- (2) Information concerning open claims limited to the date and description of "professional incident, act, or practice" total amount of payments and total reserves, if any; and
- (3) Information concerning "professional incident, act, or practice" not included in subparagraphs (1) and (2) above limited to the date and description of "professional incident, act, or practice" and total reserves, if any.

- b. Subject to Paragraph e. below, we will provide the first Named Insured shown in the Declarations, within twenty (20) days after

receipt of written request by the Named Insured, detailed claim and "professional incident, act, or practice" information in addition to that provided under Paragraph a. above and including specific reserve amounts.

- c. Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.
- d. We compile claim and "professional incident, act, or practice" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured we make no representations or warranties to insureds, insurers or others to whom this information is furnished by or on behalf of any insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate information.
- e. We will not provide the information included in Paragraphs a. and b. above, if this policy has been cancelled for nonpayment of premium, material misrepresentations or fraud on the part of the insured.

2. The following additional definition applies:

- a. "Professional incident, act, or practice" includes, but is not limited to, "counseling incident," "professional health care incident," "benefit incident," "wrongful act," "medical incident," and "wrongful employment practice."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**ILLINOIS CHANGES**

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM

A. Paragraph 5. of Section H. DEFINITIONS, "Defense expenses", is replaced with the following:

6. "Defense expenses" means payments allocated to a specific claim or "suit" and includes:

- a.** Fees and salaries of attorneys and paralegals we retain.
- b.** Fees of attorneys the insured retains when by mutual agreement, court order, or law the insured is given the right to retain defense counsel to defend a "suit".
- c.** All other litigation expenses.
- d.** The cost of bonds to release attachments or similar bonds in any "suit", but only for bond amounts within the Limit of Insurance. We do not have to furnish these bonds.
- e.** When we defend, reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- f.** Costs taxed against the insured in the "suit".

"Defense expenses" does not include salaries and expenses of our employees or the insured's employees and does not include fees and expenses of independent adjusters we hire.

B. Paragraph 1.a. of Section G. EXTENDED REPORTING PERIODS is replaced with the following:

1. a. This policy is cancelled or not renewed for any reason:

If the cancellation is for nonpayment of premium and the Named Insured writes us requesting the Extended Reporting Period, we will provide the Extended Reporting Period if the Named Insured pays the earned premium due as shown on the notice of cancellation.

C. The following is added to the **EXTENDED REPORTING PERIODS** provision of this coverage:

The cost of the Extended Reporting Period will not be more than 200% of the expired or cancelled annual premium.

D. The following is added to the **Pollution** exclusion in the **Exclusions** provision of this coverage:

However, Paragraphs **1.**, **2.**, and **3.** shall not apply to loss resulting from a "hostile fire" if, and to the extent, loss resulting from any "claim" is based upon, attributable to, or arising out of heat, smoke, or fumes.

E. The following is added to Section **H. DEFINITIONS**:

"Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

F. Paragraph **6. Representations** under Section **F. Conditions** is replaced by the following:

- 1.** This Coverage Part or Coverage Form is void if you commit fraud or conceal or misrepresent a fact in the process leading to the issuance of this insurance, and such fraud, concealment, or

misrepresentation is stated in the policy or endorsement or in the written application for this policy and:

- a. Was made with actual intent to deceive; or
- b. Materially affected either our decision to provide this insurance or the hazard we assumed.

However, this condition will not serve as a reason to void this Coverage Part or Coverage Form after the Coverage Part or Coverage Form has been in effect for one year or one policy term, whichever is less.

2. We do not provide coverage under this Coverage Part or Coverage Form to you or any other insured ("insured") who, at any time subsequent to the issuance of this insurance, commit fraud, or intentionally conceal or misrepresent a material fact relating to:

- a. This Coverage Part or Coverage Form;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this Coverage Part or Coverage Form.

3. Notwithstanding the limitations stated in E.1. above, we may cancel the Coverage Part or Coverage Form in accordance with the terms of the Cancellation Condition.